

PUBLIC ANNOUNCEMENT

United States Bankruptcy Court for the Western District of Pennsylvania

Processing LMP Loan Modification Documents

The Court has been alerted by several lenders that once a loan modification is obtained final documents are being returned to the lender “unsigned” under the mistaken belief that once the Court Order approving the loan modification is entered, the debtor/borrower is not required to sign the lender loan modification documents. Those attorneys subscribing to this view are mistaken. The proposed lender loan modification documents are to be signed once the LMP Order approving the loan modification is entered by the Court so long as the terms in the proposed loan modification mirror the terms included in the LMP Order approving the modification.

Best practices dictate that the signed loan modification documents should be forwarded by overnight mail forthwith following entry of the LMP Order approving the loan modification and generally within 48 hours of entry of the LMP Order. The proposed loan modification documents can be pre-signed by the debtor(s) so long as they are held in escrow by the attorney for the debtor(s) and not released until the LMP Order is finally entered on the record.