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March 1, 2021

VIA EMAIL

Dianne C. Kerns
31 N. 6th Ave., Ste. 105-152
Tucson, AZ 85701

Re:
Case No.: 4:18-bk-

Dear Trustee Kerns:

This letter is in response to your Trustee's Recommendation (the "TR") dated January 28, 2021. I will respond to each of paragraphs set forth in the TRs below:

General Requirements:

a. Due to the possibility of errors on the claims docket, it is the Attorney's responsibility to review all proofs of claim filed with the Court and resolve any discrepancies between the claims and the Plan prior to submitting any proposed Stipulated Order Confirming Plan to the Trustee. The Trustee will not recommend confirmation, nor stipulate to confirmation, until the proof of claims issues are resolved to the Trustee's satisfaction.

We have reviewed the claims docket in this case and there are no outstanding discrepancies.

b. Requests by the Trustee for documents and information are not superseded by the filing of an amended plan or motion for moratorium. LRBP Rule 2084-10(b).

All documents and information the Trustee has requested will be provided and not superseded by an amended plan or motion for moratorium.

c. The Trustee objects to any reduction in the Plan duration or payout in a proposed Stipulated Order Confirming Plan unless an amended modified plan is filed (using Model Plan Form 13-2) and noticed out.

There has been no reduction in Plan duration or payout in this case.

d. The Trustee requires that any proposed Order Confirming Plan state: AThe Plan and this Order shall not constitute an informal proof of claim for any creditor.

This language is incorporated in the pSOC at Paragraph C.

e. The Trustee requires that any Stipulated Order Confirming Plan state: "Debtor(s) is instructed to remit all payments on or before the stated due date each month. Debtor(s) is advised

that when payments are remitted late, additional interest may accrue on secured debts, which may result in a funding shortfall at the end of the Plan term. Any funding shortfall must be cured before a discharge can be entered. This requirement is effective regardless of plan payment suspensions, waivers or moratoriums, and must be included in any Stipulated Order Confirming.

The language regarding payment remittance may be found in the pSOC at Paragraph A.

f. At the time of confirmation, the Debtor(s) are required to certify, via language in the Stipulated Order confirming, that they are current on all payments that have come due on any Domestic Support Orders since the filing of their case and that they are current on all required tax return filings [pursuant to 11 U.S.C. Sec 1325(a)(8), (9)].

The certification regarding tax filings and domestic support orders is found on the last page of the pSOC.

g. The Debtor's, or Debtor's attorney are required to provide copies of their federal and state income tax returns for each year for the duration of the Plan to the Trustee. Tax returns must be forwarded **within 14 days after the returns have been filed**. All Personally Identifiable Information must be redacted prior to submission. Tax returns may be submitted to mail@dcktrustee.com. This requirement is to be included in the Stipulated Order Confirming the plan. Failure to submit tax returns may result in the dismissal of the Chapter 13 case.

The language regarding tax returns is found in the pSOC at Paragraph A section 1.

h. If the Debtor(s) received a tax refund larger than \$1,000 for the tax period preceding the filing of this case, the continuation of such deduction would constitute a diversion of income that would otherwise be available to creditors. Accordingly the Trustee requires that the Debtor(s) (i) adjust payroll tax deductions to prevent over withholding, (ii) amend Schedule I to reflect the reduced withholding; (ii) submit to the Trustee two consecutive paystubs to verify said reduction; and (iv) increase the plan payments in the Stipulated Order Confirming.

Debtor will turn over any refund larger than \$1,000.00 to the trustee as additional plan funding.

I. If the Debtor(s) are in default (in any amount) on their first mortgage the plan must propose mortgage conduit payments. If the plan does not propose a mortgage conduit, the Trustee objects to confirmation. This may be resolved by amending the plan or seeking an order from the court excusing compliance with the conduit requirement. L.R.B.P. Rule 2084-4(b).

The debtors rent.

Specific Requirements:

1. Tax Refunds. If Debtor receives a tax refund in excess of \$1,000 during the pendency of this case, said refund must be turned over to Trustee. The proposed stipulated order on confirmation needs to specifically provide that such refund is a SUPPLEMENTAL payment under the plan.

Debtor will turnover any tax refunds in excess of \$1,000.00 as additional plan funding.

2. The Order Confirming Plan Must Contain the Following Language Related to Treatment of General Unsecured Claims: “General Unsecured Claims. Such claims shall be paid pro rata the balance of payments under the Plan and any unsecured debt balance remaining unpaid at the end of the Plan may be discharged as provided in 11 U.S.C. § 1328(a).”

The language may be found in Paragraph C section 7 in the PSOC.

3. Filed Proofs of Claim. To date Trustee has noted that the following Creditors have filed proofs of claim that differ from the treatment proposed in the Chapter 13 Plan. Trustee objects to the treatment of these proofs of claim. This objection may be resolved by amending the secured/priority treatment to match the proofs of claim in the Stipulated Order Confirming the Plan or by filing an objection followed by an order: NONE. This objection extends to proofs of claim, if any, filed after the date of this evaluation/objection which seek treatment different from that provided for in the proposed Chapter 13 Plan.

No issues with POCs

4. Student Loans. Trustee advises that there are student loans in this case. Trustee encourages counsel to have Debtor run a free Financial Aid Review at www.studentaid.gov to ascertain the exact amount of all student loans, the servicers, and the status of payments.

Debtors’ counsel will advise Debtors to run a free Financial Aid Review at www.studentaid.gov to ascertain the exact amount of all student loans, the servicers, and the status of payments.

5. Unfiled Proofs of Claim. To date the following creditors listed in the Plan have not filed proofs of claims: NONE. Trustee reserves the right to supplement or amend this paragraph.

All priority and secured creditors have filed claims.

6. Plan Payments. Debtors have made payments in the total amount of \$39,513.00. Debtors are current on these payments through February 25, 2021. Trustee will not stipulate to confirmation unless the plan payments are current. Plan payment information may be obtained by logging on to www.ndc.org. In general, the information on this website is 24-hours old.

Debtors are current on their plan payments.

7. Documents Requested by Trustee. Any documents that have been requested will need to be provided within 30 days. Such documents should be sent to Trustee with a cover letter outlining and describing the documents. Any documentation submitted must be legible, organized by category and month, totaled and averaged (i.e. “show your work”). If Debtors fail to follow this guideline, Trustee will not consider any information as being received and a Dismissal Order may be lodged for failure to comply. Debtor is also required to submit a written explanation justifying the reasonable NECESSITY of the excessive expenses.

Any documents that have been requested will need to be provided within 30 days.

8. Liquidation Analysis: At this time Trustee believes that the plan does satisfy the liquidation analysis requirements. Trustee reserves the right to amend this conclusion.

Plan satisfies liquidation analysis.

9. Projected Disposable Income: At this time Trustee believes that the plan does satisfy the projected disposable income requirement of Sec 1325(b). Trustee reserves the right to amend this conclusion.

Plan satisfies the projected disposable income requirement of §1325(b).

10. Plan Feasibility. Pursuant to Trustee's calculations, the Chapter 13 Plan is feasible at this time. Trustee reserves the right to file an amended evaluation requiring adjustments to the terms of the plan, including an increase in plan funding if necessary, in order to address all timely filed proofs of claim once the claims bar date has passed in this case.

The Plan is feasible and can be found at the Plan Summary.

11. Objections to Confirmation. Debtors shall resolve plan objections by submitting a proposed SOC to Trustee or by setting a hearing on the objection within 30 days of this objection/evaluation. If Debtors wish to confirm by stipulation, the stipulation of the objecting creditor must be obtained in writing prior to submitting a proposed SOC to Trustee. If the resolution of the objection requires changes which have an adverse impact on any other creditor under the plan (including a reduction in the amount to any creditor and/or a delay in payment), the changes must be noticed to creditors and an opportunity for objection provided. To date Trustee has noted that the following creditors have filed objections to the Chapter 13 Plan: NONE.

There are no objections.

12. Submission of Proposed SOC. If Debtors propose to confirm the plan through a stipulated order on confirmation, a Notice of Submitting Proposed SOC should be filed with the Court, including a complete copy of the Proposed SOC as an exhibit. The Notice, SOC, and filing receipt may then be transmitted to Trustee via electronic mail (mail@dcktrustee.com) or first class mail. Trustee will not review a proposed SOC if it does not appear on the court's docket. 1 Trustee considers the time for reviewing a proposed Order pursuant to LRBP Rule 2084-13(e), to begin running when all Recommendation conditions are met.

SOC submitted to DCK on March 1, 2021.

This should comply with the requirements of the Trustee's Recommendation. Please review and upload at your earliest convenience. If you have any further questions, please feel free to contact me.

Sincerely,



Matthew Foley, Esq.