

Loan Modification Management Pilot Program Procedures (LMM)

United States Bankruptcy Court, Central District of California

Revised June 2020

1. **Purpose.** These procedures and forms implement the Loan Modification Management Pilot Program (“LMM” or “LMM Program”). The LMM is designed to function as a forum for debtors and creditors to reach a consensual resolution when a debtor’s property is at risk of foreclosure. The goal of the LMM is to facilitate communication and exchange of information in a confidential setting and encourage the parties to finalize a feasible and beneficial agreement under the supervision of the United States Bankruptcy Court for the Central District of California.
2. **Definitions.** The following definitions shall be applicable to the LMM and the procedures described herein:
 - a. **Creditor:** means any holder, servicer or trustee of an Eligible Loan.
 - b. **Debtor:** means any individual debtor in a case filed under Chapter 7, 11, 12 or 13 of the Bankruptcy Code, including joint debtors. Where a debtor is represented by an attorney, the term “Debtor” may mean the debtor’s attorney on behalf of the Debtor individually unless the context requires otherwise.
 - c. **Document Preparation Software:** means a secure online program maintained and operated by the Program Manager that facilitates the preparation of the Initial LMM Package by populating the Standard LMM Documents and generating a customized checklist of required additional forms and supporting documents that a Debtor needs to initiate a loss mitigation review with the Creditor. The use of the Document Preparation Software ensures that the initial submission to Creditor is complete and accurate and should expedite Creditor’s review. By requiring its use by the Debtor prior to the filing of the Motion for LMM, the Debtor will signify to the Court and the Creditor that the Debtor is prepared to engage in the LMM in good faith and provide the necessary information to the Creditor.
 - d. **Eligible Loan:** means any loan, lien or extension of money or credit secured by Eligible Property, regardless of whether the loan is considered to be non-traditional, was in foreclosure prior to the bankruptcy filing, is the first or junior deed of trust or lien on the Eligible Property, and/or has been pooled, securitized or assigned to a creditor or trustee.
 - e. **Eligible Property:** means any real property in which the Debtor holds an interest.
 - f. **[Intentionally Omitted]**
 - g. **Initial LMM Package:** means collectively the Standard LMM Documents and all of the forms and supporting documentation that the Creditor requires to initiate the assessment of a Debtor’s loss mitigation options. Creditor shall be responsible for providing Creditor’s Initial LMM Package to the Program Manager as more particularly provided for in Section 7(b)(i).
 - h. **LMM Period:** means the time during which the LMM is in effect prior to its expiration or termination by Court order.
 - i. **Loss mitigation:** means the full range of solutions that may prevent either the loss of a Debtor’s Eligible Property to foreclosure, increased costs to the Creditor, or both, including but not

limited to, loan modification, loan refinance, forbearance, short sale, or surrender of the Eligible Property in full satisfaction of obligations arising under an Eligible Loan.

- j. **Portal**: means a secure online service maintained and operated by the Program Manager that allows LMM documents and communications to be submitted, retrieved and tracked between the Required Parties. The Portal must be capable of providing access to the Court and trustees as well as the Program Manager. Submitting documents to the Portal provides transparency in the loan modification process by making information immediately available to all parties through a secure internet website. To ensure that all Required Parties may obtain access to the Portal in a timely manner, registration on the Portal by any Required Party (including, without limitation, registration by the Creditor as provided in Section 7(b)(i)) must be capable of being completed in three (3) business days.

- k. **Program Manager**: means an independent, nonpartisan organization that has demonstrable skill and experience in bankruptcy loss mitigation to assist the Court with managing the LMM. Without limiting the generality of the foregoing, the Program Manager should:
 - i. Have extensive knowledge of the forms and supporting documents required by Creditors to complete a loss mitigation analysis;
 - ii. Have extensive understanding of the various loss mitigation programs offered by Creditors and the terms of their availability to Debtors;
 - iii. Own or be able to provide access to the Document Preparation System; and
 - iv. Own or be able to provide access to the Portal.Program Manager shall have the right to retain outside parties to assist Program Manager in its duties under the LMM provided such parties have the necessary skill and experience in bankruptcy loss mitigation as determined by the Program Manager. The Program Manager as of the effective date of the LMM is Default Mitigation Management, LLC; provided, however, the Court reserves the right to select a different Program Manager in its sole discretion.

- l. **Required Parties**: means (when applicable) Debtor, Debtor's attorney, Creditor, Creditor's California legal counsel, any co-obligor, co-borrower and third-party obligor.

- m. **Standard LMM Documents**: collectively, the industry standard forms that are generally required by Creditors to initiate a review of a Debtor's loss mitigation options:
 - i. Request for Mortgage Assistance
 - ii. Uniform Borrower Assistance Form (Form 710)
 - iii. IRS Form 4506-T
 - iv. Hardship Letter
 - v. Dodd-Frank Certification

3. **Eligibility**. Any Debtor who currently has a case pending under any chapter is eligible to participate in the LMM Program with respect to any Eligible Property. Individuals who seek to modify a loan under the LMM must have paid their bankruptcy filing fee in full prior to filing a motion to participate in LMM. In addition, Debtor must set aside the applicable Document Preparation Software fee (\$40.00), the applicable LMM Portal submission fee (\$40.00), and one-half (1/2) of the Program Manager's fee (\$300.00).

4. **Additional Parties.**

- a. **Co-debtors, Creditors, and Third-parties.** Where the participation of a co-debtor, additional creditors or other third party may be necessary or desirable, any party may request, or the Court may direct, that such party participate in loss mitigation, to the extent that the Court has jurisdiction over the party.
- b. **Trustee.** The Trustee may participate in the LMM to the extent such participation would be consistent with the Trustee's duties under the Bankruptcy Code.

5. **Commencement of LMM.** The Debtor, Creditor or the Court may seek referral to the LMM Program at any time after the commencement of the bankruptcy case.

a. **By Debtor.**

- i. **Confirm Eligibility.** Prior to filing a Motion to Commence LMM (substantially in the form of Form LMM 4001-1.6.MOTION.COMMENCE), Debtor shall perform reasonable due diligence to confirm that Debtor may be eligible for loss mitigation and confirm all information necessary to make the certifications required on the Certification of LMM Eligibility and Readiness (substantially in the form of Form LMM 4001-1.6.CERT.ELIG.READ).
- ii. **Complete Document Preparation Software.** Prior to filing a Motion to Commence LMM, Debtor shall complete the Document Preparation Software and pay the non-refundable fee directly to the Document Preparation Software approved vendor. Debtor's Initial LMM Package shall be completed and ready for signature and submission before filing a Motion to Commence LMM.
- iii. **Pro Se Debtor Assistance.** In the event that a *Pro Se Debtor* shall require assistance in the preparation of Debtor's Initial LMM Package, *Pro Se Debtor* may contact the Program Manager by completing and submitting the Request for LMM Assistance (substantially in the form of Form LMM 4001-1.6.REQUEST.ASSIST) to the Program Manager. In addition, *Pro Se Debtor* shall pay Program Manager a non-refundable fee of one hundred dollars (\$100.00) (the "Pro Se Document Preparation Fee"). The Pro Se Document Preparation Fee shall be in lieu of the Document Preparation Software fee of \$40 to be paid to the Document Preparation Software vendor.
 - 1. **Document Assistance.** Within five (5) business days of the receipt of the Request for LMM Assistance and the Pro Se Document Preparation Fee by the Program Manager, Program Manager shall assign a document assistant to the *Pro Se Debtor* who shall contact *Pro Se Debtor* and assist *Pro Se Debtor* in the preparation and completion of the Initial LMM Package.
 - 2. **Pro Se Debtor Obligations.**
 - a. *Pro Se Debtor* shall cooperate with and work with their assigned document assistant to provide the necessary information and documentation to complete Debtor's Initial LMM Package on a timely basis. Without limiting the generality of the foregoing, *Pro Se Debtor* shall promptly respond to all requests for information and documentation

from the document assistant. *Pro Se Debtor* understands and acknowledges that if *Pro Se Debtor* fails to cooperate, the Program Manager may terminate the assistance as provided in subsection 5(a)(iii)(3) below.

b. *Pro Se Debtor* shall be responsible for providing a translator at Debtor's own expense in the event one is necessary.

3. **Failure to Participate.** In the event that *Pro Se Debtor* fails to cooperate or perform any of its obligations hereunder as determined by the Program Manager acting in good faith, the Program Manager shall have the right to cancel the Request for LMM Assistance by filing a Notice of Non-Participation (substantially in the form of Form LMM 4001-1.6.NOTICE.NON.PART) with the Court. The Notice of Non-Participation will detail the reasons why Program Manager has elected to cancel the Request for LMM Assistance. Notwithstanding anything to the contrary, the Court may order the return of Pro Se Document Preparation Fee to the *Pro Se Debtor* in the Court's sole and absolute discretion. Further notwithstanding anything to the contrary, nothing herein shall be deemed to prevent the *Pro Se Debtor* from proceeding with the LMM.

iv. **LMM Motion.** Upon completion of the Debtor's Initial LMM Package, Debtor may request the commencement of the LMM by filing a Motion to Commence LMM. The Court may grant the Motion to Commence LMM at its discretion. The Motion to Commence LMM shall be served on the Creditor and all other creditors whose claims are secured by liens against the Eligible Property. A Certification of LMM Eligibility and Readiness (substantially in the form of Form LMM 4001-1.6.CERT.ELIG.READ) and a proposed LMM Order (substantially in the form of Form LMM 4001-1.6.ORDER.COMMENCE) shall be attached to any Motion to Commence. The proposed LMM Order shall also be lodged with the Court if no objection is filed within the deadline specified in Paragraph 6 below.

b. **By Creditor.** Any creditor seeking to commence the LMM must file with the Court and serve on the Debtor (and Debtor's counsel, if any) a Motion to Commence LMM (substantially in the form of Form LMM 4001-1.6.MOTION.COMMENCE) and together with a proposed LMM Order (substantially in the form of Form LMM 4001-1.6.ORDER.COMMENCE). The proposed LMM Order shall also be lodged with the Court if no objection is filed within the deadline specified in Paragraph 6 below

c. **By the Bankruptcy Court.** The Court may order the assignment of a loss mitigation matter to the LMM upon the Court's own motion.

6. **Opportunity to Object.** The deadline for filing an objection to a Motion to Commence LMM is fourteen (14) days from the service of the Motion to Commence LMM, plus three (3) additional days if notice is by mail. Objections shall identify with specificity the grounds for the objection. If no objection is filed, the Court may enter a LMM Order without further notice or hearing. The notice of the Motion to Commence LMM, as well as notice of any other motion for the Pilot Program, shall be provided by using the Court's Local Bankruptcy Rule Form F 9013-1.2.OPPORTUNITY.HEARING.NOTICE.

7. **LMM Participation and Duties.**

- a. **General.** Upon entry of the LMM Order, the moving party shall serve a copy of the LMM Order on the Required Parties and file a certificate of service indicating the parties that were served with the LMM Order. Upon the entry of the LMM Order, the following shall apply:
- i. **Good Faith Requirement.** The Required Parties shall act in good faith throughout the entirety of the LMM Period, including but not limited to, promptly responding to all inquiries through the Portal and providing all requested documentation and information. A party failing to participate in good faith may be subject to sanctions and/or dismissal of the LMM after notice and a hearing.
 - ii. **Deadlines.** The Required Parties shall comply with all deadlines set forth in the LMM Order; provided any deadlines may be extended by court order or by stipulation of the parties.
 - iii. **Trustee.** The Trustee may participate in the LMM to the extent that such participation would be consistent with the Trustee's duties under the Bankruptcy Code.
 - iv. **Communication through Portal.** During the LMM Period, unless otherwise permitted by the Court, all material communications between the Required Parties shall be conducted exclusively through the Portal; provided, however, any litigated matters incidental to the mediation shall be considered as separate matters not subject to the Portal requirement. (For example, a motion to compel mediation or motions related to discovery must be filed in the main bankruptcy case, not through the Portal).
 - v. **Authorized Parties.** On behalf of each participating party, a person with complete knowledge of the file so as to be reasonably capable of answering questions posed by the Court related to the LMM shall attend all LMM-related hearings and conferences before the Court.
 - vi. **Automatic Stay.** The automatic stay as provided for under 11 U.S.C. § 362(a) shall be modified to the extent necessary to facilitate the LMM Program. After entry of the LMM Order, all pending motions for relief from the automatic stay with respect to real property subject to the LMM Program shall be continued or dropped from calendar until after such time that the LMM Program has concluded. Further, the pendency of the LMM Program shall constitute good cause and compelling circumstances under 11 U.S.C. § 362(e) to delay the entry of any final decision on a pending motion for relief from stay with respect to real property subject to the LMM Program. During the pendency of the LMM Program, no motion for relief from stay shall be filed on an ex parte basis with respect to real property subject to the LMM Program. Further, any lender seeking relief from the automatic stay prior to the conclusion of the LMM Program shall, in the motion, set forth the reasons why relief is appropriate prior to the conclusion of the LMM Program. If a relief from stay motion pursuant to section 362(d) is pending when a LMM Order is entered, or if such a motion is filed during the LMM Period, the Court may condition the stay upon fulfillment of the Debtor's obligations under the LMM Order. If the Debtor fails to comply with the Debtor's LMM duties or the LMM Order, the Creditor may

apply to terminate the LMM. Additionally, unless the Creditor specifically objects in writing, it is deemed to consent to a waiver of the deadlines set forth in section 362(e) of the Bankruptcy Code until thirty (30) days after the conclusion of the LMM.

- vii. No Delay. The referral of a case to the LMM Program does not relieve the parties from complying with any other court orders or applicable provisions of the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, General Orders or the Local Bankruptcy Rules. Notwithstanding a matter being referred to the LMM Program, the bankruptcy case shall not be stayed or delayed without further order of the Court.
- viii. Closing. If Debtor's bankruptcy case is otherwise in a posture for administrative closing, the case shall remain open during the pendency of the LMM Program, unless otherwise ordered by the Court.
- ix. Confidential Communications. All communications and information exchanged during the LMM Program shall be privileged and confidential and shall be inadmissible in any subsequent proceeding as provided for by Federal Rule of Evidence 408, except in such circumstances when a party fails to participate in good faith in the LMM.
- x. Request for Hearing. Debtor, Creditor or Program Manager may request a hearing to resolve any dispute that may have arisen in connection with the LMM Program by filing a motion and scheduling a hearing pursuant to the Court's Local Bankruptcy Rules.

b. Creditor Duties Upon Commencement of LMM.

- i. Registration on Portal. Within ten (10) days after entry of the LMM Order, Creditor and Creditor's California counsel (if any) shall register on the Portal (if not already registered) and provide Creditor's most current Initial LMM Package to the Program Manager, who will promptly post same on the Portal. Registration on the Portal is a one-time event, and once Creditor and Creditor's California counsel (if any) are registered on the Portal, they will not have to re-register for each subsequent matter; however, Creditor is responsible for providing any updates to Creditor's Initial LMM Package if and as necessary.
- ii. Acknowledge Receipt of Initial LMM Package. Within seven (7) days after Debtor submits Debtor's completed Initial LMM Package to Creditor on the Portal, Creditor shall on the Portal: (i) acknowledge receipt of Debtor's completed Initial LMM Package; and (ii) designate its single point of contact and outside legal counsel (if any). The designated single point of contact and outside legal counsel (if any) shall have all requisite authority (within the investor's guidelines) to settle any and all issues that may arise during the LMM Period.
- iii. Payment of LMM Program Fee. Within seven (7) days after Debtor submits Debtor's completed Initial LMM Package, Creditor shall also pay one-half (1/2) of the applicable non-refundable LMM Program fee (\$300.00) directly to the Program Manager. In the event that the Program Manager fee is not paid through the Portal online payment system, Creditor shall pay an additional \$25 processing fee to the Program Manager.
- iv. Process Debtor's Application. Upon receipt of Debtor's Initial LMM Package, Creditor shall promptly review Debtor's Initial LMM Package to determine Debtor's eligibility for

any loss mitigation options which may be available to Debtor. In the event that Creditor shall require additional (or corrected) documentation, Creditor shall promptly notify Debtor through the Portal of such requirements and promptly respond to Debtor's submissions thereof as well as any inquiries made by the Debtor.

- v. *Servicer Transfer*. In the event that Creditor transfers a loan subject to the LMM Program, Creditor shall promptly provide a copy of the LMM Order to the new holder of the loan (the "Successor Creditor"), and the Successor Creditor shall be obligated to comply with all terms of the LMM Order and these LMM Program procedures. Without limiting the generality of the foregoing, Successor Creditor shall accept all documentation and information previously accepted by the original Creditor. Further, Creditor shall file an Order Substituting LMM Creditor (substantially in the form of Form LMM 4001-1.6.ORDER.SUB.SERVICER) and transfer the submission on the Portal to the Successor Creditor; provided, however, nothing herein shall prevent the Debtor from doing so in lieu of Creditor.

c. Debtor Duties Upon Commencement of LMM.

- i. *Submit Initial LMM Package*. Within seven (7) days after entry of a LMM Order or Creditor's registration on the LMM Portal, whichever occurs later, Debtor shall upload to the Portal: (i) Debtor's Initial LMM Package and (ii) a copy of the LMM Order.
- ii. *Payment of Portal and LMM Program Fee*. Within seven (7) days after entry of a LMM Order or Creditor's registration on the LMM Portal, whichever occurs later, Debtor shall pay the following non-refundable fees: (i) the Portal submission fee (\$40.00) directly to the Portal vendor; and (ii) one-half (1/2) of the applicable LMM Program fee (\$300.00) directly to the Program Manager.
- iii. *Adequate Protection Payments*. Upon the entry of the LMM Order, Debtor shall make adequate protection payments to the Creditor in an amount that is 80% of the current principal and interest payment. If the Creditor objects to the amount of the adequate protection payment, then after adequate notice the Court shall hold a hearing to consider the objection. If the Debtor is required to direct adequate protection payments to a different address than the Debtor utilized prior to the filing of the bankruptcy case, the Creditor shall promptly advise the Debtor of the correct address and any other requirements to ensure the proper posting and processing of the payments. In Chapter 13 cases, the Debtor immediately shall file a motion and proposed order requesting the Court to authorize the Debtor or the Chapter 13 Trustee to make payments to the specified payee at the specified address.
- iv. *Document Submissions*. Upon the request of Creditor through the Portal, Debtor shall promptly provide any additional documents requested by Creditor or Program Manager and/or answer any questions.

d. Program Manager Duties.

- i. *Document Preparation System*. Program Manager shall be responsible for providing and maintaining the Document Preparation System.

- ii. Portal. Program Manager shall be responsible for providing and maintaining the Portal.
- iii. Document Assistance. Program Manager shall be responsible for assisting *Pro Se Debtors* with the completing the Document Preparation Software and providing the Initial LMM Package (subject to *Pro Se Debtor's* cooperation) if and when *Pro Se Debtors* request such assistance pursuant to Section 5(a)(iii).
- iv. LMM Program and System Education. Program Manager shall be familiar with the rules and procedures of this LMM Program and be able to advise Debtors and Creditors about the basic procedures for participation therein including their respective responsibilities thereunder. Without limiting the generality of the foregoing, Program Manager shall be able to direct users to the relevant provisions of the LMM Program as well as where Debtors and Creditor can access the required forms and documents. Program Manager shall also provide free training on the use of the Document Preparation System as well as the Portal.
- v. Loan Modification Monitoring. Program Manager shall monitor all Portal communications between Debtor and Creditor to ensure that each party is performing its obligations and duties as required by the LMM Program including without limitation:
 - 1. Confirming that the Debtor has provided the correct Initial Package;
 - 2. Facilitating the communication and document exchanges between Creditor and Debtor to ensure that the loss mitigation review is proceeding in accordance with the terms and deadlines of the LMM Program;
 - 3. Tracking and monitoring the deadlines for each party;
 - 4. Preparing for, scheduling and conducting LMM Conferences; and
 - 5. Reporting to the Court any non-compliance with the terms of the LMM Program by any of the Required Parties. In the event of any non-compliance, Program Manager shall file a Certificate of Non-Compliance with the Court in form substantially similar to Form LMM 4001-1.6.CERT.NON.COMPL. Said Certificate of Non-Compliance shall provide details of the Required Party's non-compliance together with sufficient supporting evidence documenting such non-compliance for the Court's review. Upon the filing of the Certificate of Non-Compliance, the Court, at its discretion, may schedule a hearing on notice to the Debtor and the Creditor to resolve the issues identified by the Program Manager.
- vi. Outside Mediators and Foreclosure Experts. The Program Manager may retain skilled mediators and loss mitigation experts to assist in its duties hereunder at no additional charge to the Debtor or Creditor.

8. LMM Process.

a. Duration.

- i. Initial Duration. The LMM Period initially shall be one hundred twenty (120) days from the date of the LMM Order unless otherwise specified in the LMM Order.
- ii. Extension. A request to extend the LMM Period shall be made by way of a Motion to Extend the LMM Period (substantially in the form of Form LMM 4001-1.6.MOTION.EXTEND). A proposed order (substantially in the form of Form LMM

4001-1.6.ORDER.MOTION.EXTEND) and a complete and current printout of the account history from the Portal shall be attached to the Motion. A request to extend the LMM shall be served on all Required Parties. The deadline for objecting to a request to extend the LMM is fourteen (14) days from the service of the motion, plus three (3) additional days if the service is by mail. Where a timely objection is filed, the Court may schedule a hearing to determine whether granting the relief requested is appropriate under the circumstances.

iii. Early Termination. A request to terminate the LMM Period prior to its expiration shall be made by way of a Motion to Terminate the LMM (substantially in the form of Form LMM 4001-1.6.MOTION.TERM). A proposed order (substantially in the form of Form LMM 4001-1.6.ORDER.MOTION.TERM) and a complete and current printout of the account history from the Portal shall be attached to the Motion. A request to terminate the LMM shall be served on all Required Parties. The deadline for objecting to a request to terminate the LMM is fourteen (14) days from the service of the motion, plus three (3) additional days if service is by mail. Where a timely objection is filed, the Court may schedule a hearing to determine whether granting the relief requested is appropriate under the circumstances.

b. LMM Conferences.

i. Scheduling. In the event that Debtor and Creditor are not able to reach mutually agreeable terms, then upon consultation with the parties and their attorneys (if any), the Program Manager shall fix a reasonable date and time for the LMM Conference and shall give the parties at least seven (7) days advance written notice of the date and time of the LMM Conference. The Program Manager shall report the scheduling of the LMM Conference on the Portal. Program Manager may (in its sole discretion) schedule multiple LMM Conferences.

ii. Appearances. Attendance at the LMM Conference is mandatory. All Required Parties shall appear at the LMM Conference telephonically unless otherwise agreed to by the parties or directed by the Program Manager.

1. Debtor Represented by Attorney. If Debtor is represented by an attorney, then Debtor, Debtor's attorney, and any co-obligor, co-borrower, or other third party obligated on the note or deed of trust, may participate in the LMM Conference by telephone provided that they are physically present with Debtor's attorney and present identification to Debtor's attorney during all LMM Conferences.

2. Translator. Debtor shall provide a foreign language interpreter (if necessary) at Debtor's own expense.

3. Creditor. Creditor shall appoint a designated representative to appear on behalf of the Creditor.

4. Settlement Authority. All parties attending the LMM Conference shall be ready, willing and able to sign a binding settlement agreement at the LMM Conference and have the ability to scan, send and receive documents by facsimile, email or other electronic means at the time of the LMM Conference. Furthermore, any

settlement agreement shall indicate that the Settlement is a qualifying event under the California Homeowner's Bill of Rights.

- iii. Failure to Appear. In the event that a Required Party fails to appear at a scheduled LMM Conference, Program Manager may file a Certificate of Non-Compliance with the Court in form substantially similar to Form LMM 4001-1.6.CERT.NON.COMPL. The Court reserves the right to treat such non-compliance as a failure to act in good faith under the LMM.
- c. Debtor Payments. In Chapter 13 cases, any Debtor participating in the LMM Program shall be required to pay payments due to Creditor through the Chapter 13 Trustee including, but not limited to, adequate protection payments, trial modification payments, and final modification payments.

9. LMM Resolution.

- a. Trial Loan Modification Agreement. If the parties reach a trial loan modification agreement, but not a final loan modification agreement, then within fourteen (14) days after the parties reach such agreement, Debtor shall file a Motion to Approve Trial Loan Modification Agreement (substantially in the form of Form LMM 4001-1.6.MOTION.TRIAL.LOAN.MOD) and lodge with the Court an Order Granting Motion to Approve Trial Loan Modification Agreement (substantially in the form of Form LMM 4001-1.6.ORDER.TRIAL.LOAN.MOD). The Court shall grant such relief on an *ex parte* basis. In Chapter 13 cases, once entered by the Court, Debtor shall serve a copy of the Order Granting Motion to Approve Trial Loan Modification on the Chapter 13 Trustee and file a certificate of service indicating that the Chapter 13 Trustee was served with a copy of the order.
- b. Final Loan Modification Agreement. If parties agree to a final or long-term loan modification, the Debtor shall file a Motion to Authorize the Loan Modification (substantially in the form of Form LMM 4001-1.6.MOTION.AUTH.LOAN.MOD), which shall be served immediately on any applicable trustee and all creditors whose claims are secured by liens against the Eligible Property. The motion shall contain a detailed analysis of the proposed loan modification and shall include a Loan Modification Summary (substantially in the form of Form LMM 4001-1.6.LOAN.MOD.SUMM). A copy of the loan modification agreement shall accompany the motion. In a Chapter 13 case, the proposed order shall include the following provisions, where applicable:
 - i. If the loan modification approved by the Court impacts the provisions of the Debtor's Chapter 13 plan, a modified plan shall be filed within fourteen (14) days of the entry of the order approving the loan modification. It is the responsibility of the Debtor to promptly obtain Court approval of the modified plan.
 - ii. If the loan modification approved by the Court results in a material change in the Debtor's expenses, the Debtor shall file an amendment to the impacted schedules reflecting income and expenses (Schedules I and J) within fourteen (14) days of the entry of the order approving the loan modification.
- c. Additional Terms.

- i. No Dismissal. Dismissal of the bankruptcy case shall not be made a requirement of an agreement reached through the LMM.
- ii. Consent. Consent to the resolution shall be acknowledged in writing by an authorized representative of the Creditor, the Debtor, and the Debtor's attorney, if applicable.
- iii. Court Review and Approval. LMM participants shall seek the Court's authorization to enter into any agreement reached during the LMM process, including, but not limited to, a stipulation, sale, plan of reorganization, amended plan of reorganization, or loan modification, by way of a motion to the court. Where a Debtor is represented by counsel, a resolution may be authorized by the Court without further notice, or upon such notice as the Court directs. Where a Debtor is not represented by counsel, prior to authorizing a resolution the Court may conduct a hearing at which the Debtor shall appear in person. To be authorized by the Court, a proposed resolution must be in the best interests of the debtor and the bankruptcy estate.
- iv. Permanent Modification. In the event a Debtor satisfies all payment obligations and any other material obligations under a trial/interim loan modification order, the Creditor shall extend an offer to enter into a final loan modification agreement within fourteen (14) days of receipt of the last interim payment.

10. LMM Fees.

- a. Compensation for Debtor's Counsel. Counsel for the debtor is entitled to receive reasonable compensation for all work involved in connection with the LMM process and shall file an application for allowance of attorney fees and costs with the Court, or alternatively accept a "no look" fee in a reasonable amount not to exceed \$2,500 to be paid as an administrative expense. These fees and costs are in addition to those fees and costs incurred in the representation of Debtor in the bankruptcy case. The \$2,500 fee shall include:
 - Filing of the Motion and Order;
 - Preparation of the Initial LMM Package
 - Preparation of any additional forms which may be required throughout the LMM
 - Submission of all documentation through the Portal
 - Filing of other required pleadings and preparation of proposed orders and settlement papers, as applicable;
 - Communicating with Creditor and Program Manager, including communications through the Portal;
 - Attendance at LMM Conferences and Court hearings; and
 - Review of all modified loan documents.
- b. Creditor Fees. If a proposed LMM resolution provides for a Creditor to receive payment or reimbursement of any fee, cost or charge that arose from the LMM process, all such fees, costs and charges shall be disclosed to the Debtor prior to approval of the resolution. Counsel for the Creditor may be entitled to receive a reasonable fee for all work involved with the LMM and shall clearly delineate such fee in the LMM resolution or by amended proof of claim.