

North Carolina Bankruptcy Loan Modification Management Program Timeline

The following is intended to illustrate the timeline that most LMM cases initiated by the Debtor will follow, but innumerable reasons may cause deviation from this. As such, this is not meant to be prescriptive nor that different actual variations are evidence of any lack of diligence or bad faith by any party.

Debtor Creditor Facilitator/Trustee/Court

Step 1. Bankruptcy Filed and LMM commenced within 12 months of Filing.

a. Initial steps by Debtor:

- i. Contract for Representation in LMM signed.
- ii. Debtor complete Certification of LMM Eligibility and Readiness (Form 2)
- iii. Debtor completes Document Preparation Software and pays \$60.00 fee.
- iv. Proposed Plan filed with Non-Standard Provision for LMM.
- v. Debtor commences plan payments, including LMM Adequate Protection payment for Creditor.

Step 2. Motion for LMM filed by Debtor.

Step 3. Objection to LMM filed within 14 days by creditor.

Step 4. Order for LMM entered and Facilitator appointed.

a. Within 7 days of the Order for LMM:

- i. Debtor uploads LMM document and pays \$60.00 Portal fee.
- ii. Debtor pays \$250.00 Facilitator fee.

b. Within 10 days of the Order for LMM:

- i. Creditor registers on Portal.

c. Within 7 days of upload of LMM documents by Debtor:

- i. Creditor Acknowledges receipt of LMM documents.
- ii. Creditor designates single point of contact.
- iii. Creditor pays \$250.00 Facilitator Fee.

d. Debtor begins making Adequate Protection payments to the Trustee in the amount equal to 80% of Principal and 1/12 of the annual Escrow for property taxes and insurance. The Trustee holds the Adequate Protection payments until plan confirmation.

Step 5. LMM Review:

- a. Creditor promptly reviews LMM Package for eligibility in any loss mitigation options.
- b. Creditor promptly notifies Debtor of additional documentation needed.
- c. Debtor promptly responds to requests.
- d. Debtor files Status Report from Portal, 60 days after LMM Order
- e. Creditor offers loss mitigation options.
- f. Debtor responds to options.
- g. Facilitator monitors process and files Certificate of Non-Compliance, if necessary.

Step 6. LMM Conference-

- a. If no resolution of the LMM, within 180 days of the LMM Order, Facilitator schedules a LMM conference with at least 7-days' notice to parties.
- b. LMM Conference attended by Debtor, Creditor, Attorneys and Facilitator.
- c. Final Report from Portal filed by Debtor within 7 days.

Step 7. LMM Resolution:

- a. **Motion to Approve Trial Modification filed by Debtor (if required).**
- b. **Trial mod payments for 3 months by Trustee**
- c. **Motion to Approve Permanent Modification filed by Debtor.**
- d. **Permanent Mod approved.**