

2.2 Regular payments to the trustee will be made from future income in the following manner:

Check all that apply.

- Debtor(s) will make payments pursuant to a payroll deduction order.
- Debtor(s) will make payments directly to the trustee.
- Other (specify method of payment): _____.

2.3 Income tax refunds.

Check one.

- Debtor(s) will retain any income tax refunds received during the plan term.
- Debtor(s) will supply the trustee with a copy of each income tax return filed during the plan term within 14 days of filing the return and will turn over to the trustee all income tax refunds received during the plan term.
- Debtor(s) will treat income tax refunds as follows:

2.4 Additional payments.

Check one.

- None.** If "None" is checked, the rest of § 2.4 need not be completed or reproduced.
- Debtor(s) will make additional payment(s) to the trustee from other sources, as specified below. Describe the source, estimated amount, and date of each anticipated payment.

2.5 The total amount of estimated payments to the trustee provided for in §§ 2.1 and 2.4 is \$ _____.

Part 3: Treatment of Secured Claims

3.1 Maintenance of payments and cure of default, if any.

Check one.

- None.** If "None" is checked, the rest of § 3.1 need not be completed or reproduced.
- The debtor(s) will maintain the current contractual installment payments on the secured claims listed below, with any changes required by the applicable contract and noticed in conformity with any applicable rules. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. Any existing arrearage on a listed claim will be paid in full through disbursements by the trustee, with interest, if any, at the rate stated. Unless otherwise ordered by the court, the amounts listed on a proof of claim filed before the filing deadline under Bankruptcy Rule 3002(c) control over any contrary amounts listed below as to the current installment payment and arrearage. In the absence of a contrary timely filed proof of claim, the amounts stated below are controlling. If relief from the automatic stay is ordered as to any item of collateral listed in this paragraph, then, unless otherwise ordered by the court, all payments under this paragraph as to that collateral will cease, and all secured claims based on that collateral will no longer be treated by the plan. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

It is standing practice for the KYE Chapter 13 trustee to require debtors to make current installment payments, so the "Debtor" box should be checked here.

Name of creditor	Collateral	Current installment payment (including escrow)	Amount of arrearage (if any)	Interest rate on arrearage (if applicable)	Monthly plan payment on arrearage	Estimated total payments by trustee
_____	_____	\$ _____ Disbursed by: <input checked="" type="checkbox"/> Trustee <input checked="" type="checkbox"/> Debtor(s)	\$ _____	_____ %	\$ _____	\$ _____
_____	_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	_____ %	\$ _____	\$ _____

Insert additional claims as needed.

3.2 Request for valuation of security, payment of fully secured claims, and modification of undersecured claims. Check one.

None. If "None" is checked, the rest of § 3.2 need not be completed or reproduced.

The remainder of this paragraph will be effective only if the applicable box in Part 1 of this plan is checked.

The debtor(s) request that the court determine the value of the secured claims listed below. For each non-governmental secured claim listed below, the debtor(s) state that the value of the secured claim should be as set out in the column headed *Amount of secured claim*. For secured claims of governmental units, unless otherwise ordered by the court, the value of a secured claim listed in a proof of claim filed in accordance with the Bankruptcy Rules controls over any contrary amount listed below. For each listed claim, the value of the secured claim will be paid in full with interest at the rate stated below.

The portion of any allowed claim that exceeds the amount of the secured claim will be treated as an unsecured claim under Part 5 of this plan. If the amount of a creditor's secured claim is listed below as having no value, the creditor's allowed claim will be treated in its entirety as an unsecured claim under Part 5 of this plan. Unless otherwise ordered by the court, the amount of the creditor's total claim listed on the proof of claim controls over any contrary amounts listed in this paragraph.

The holder of any claim listed below as having value in the column headed *Amount of secured claim* will retain the lien on the property interest of the debtor(s) or the estate(s) until the earlier of:

- (a) payment of the underlying debt determined under nonbankruptcy law, or
- (b) discharge of the underlying debt under 11 U.S.C. § 1328, at which time the lien will terminate and be released by the creditor.

Name of creditor	Estimated amount of creditor's total claim	Collateral	Value of collateral	Amount of claims senior to creditor's claim	Amount of secured claim	Interest rate*	Monthly payment to creditor	Estimated total of monthly payments
_____	\$ _____	_____	\$ _____	\$ _____	\$ _____	____%	\$ _____	\$ _____
_____	\$ _____	_____	\$ _____	\$ _____	\$ _____	____%	\$ _____	\$ _____

Insert additional claims as needed.

*If blank, the interest rate shall be the WSJ Prime Rate on the date of confirmation plus 2 percentage points. An allowed secured tax claim shall be paid with interest at the applicable statutory rate in effect on the date on which the plan is confirmed, notwithstanding any contrary provision of the plan.

3.3 Secured claims excluded from 11 U.S.C. § 506.

Check one.

None. If "None" is checked, the rest of § 3.3 need not be completed or reproduced.

The claims listed below were either:

- (1) incurred within 910 days before the petition date and secured by a purchase money security interest in a motor vehicle acquired for the personal use of the debtor(s), or
- (2) incurred within 1 year of the petition date and secured by a purchase money security interest in any other thing of value.

These claims will be paid in full under the plan with interest at the rate stated below. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. Unless otherwise ordered by the court, the claim amount stated on a proof of claim filed before the filing deadline under Bankruptcy Rule 3002(c) controls over any contrary amount listed below. In the absence of a contrary timely filed proof of claim, the amounts stated below are controlling. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

If applicable, an appropriate box must be checked.

Name of creditor	Collateral	Amount of claim	Interest rate*	Monthly plan payment	Estimated total payments by trustee
_____	_____	\$ _____	____%	\$ _____	\$ _____
				Disbursed by:	
				<input type="checkbox"/> Trustee	
				<input type="checkbox"/> Debtor(s)	
_____	_____	\$ _____	____%	\$ _____	\$ _____
				Disbursed by:	
				<input type="checkbox"/> Trustee	
				<input type="checkbox"/> Debtor(s)	

Insert additional claims as needed.

Part 5: Treatment of Nonpriority Unsecured Claims

5.1 Nonpriority unsecured claims not separately classified.

Allowed nonpriority unsecured claims that are not separately classified will be paid, pro rata. If more than one option is checked, the option providing the largest payment will be effective. Check all that apply.

- The sum of \$ _____.
- _____ % of the total amount of these claims, an estimated payment of \$ _____.

The funds remaining after disbursements have been made to all other creditors provided for in this plan.

If the estate of the debtor(s) were liquidated under chapter 7, nonpriority unsecured claims would be paid approximately \$ _____. Regardless of the options checked above, payments on allowed nonpriority unsecured claims will be made in at least this amount.

It is the standing practice of the KYE Chapter 13 Trustee to pay unsecured claims through a "pool" plan. As such, the third box should be checked as noted above.

5.2 Maintenance of payments and cure of any default on nonpriority unsecured claims. Check one.

- None.** If "None" is checked, the rest of § 5.2 need not be completed or reproduced.
- The debtor(s) will maintain the contractual installment payments and cure any default in payments on the unsecured claims listed below on which the last payment is due after the final plan payment. These payments will be disbursed either by the trustee or directly by the debtor(s), as specified below. The claim for the arrearage amount will be paid in full as specified below and disbursed by the trustee. The final column includes only payments disbursed by the trustee rather than by the debtor(s).

Name of creditor	Current installment payment	Amount of arrearage to be paid	Estimated total payments by trustee
_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	\$ _____
_____	\$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	\$ _____	\$ _____

Insert additional claims as needed.

5.3 Other separately classified nonpriority unsecured claims. Check one.

- None.** If "None" is checked, the rest of § 5.3 need not be completed or reproduced.
- The nonpriority unsecured allowed claims listed below are separately classified and will be treated as follows

Name of creditor	Basis for separate classification and treatment	Amount to be paid on the claim	Interest rate (if applicable)	Estimated total amount of payments
_____	_____	\$ _____	_____ %	\$ _____
_____	_____	\$ _____	_____ %	\$ _____

Insert additional claims as needed.

Hypothetical #1:

Chapter 7 Debtor files bankruptcy. Debtor schedules residential real estate valued at \$150,000.00. The Debtor also schedules a first mortgage securing a debt of \$100,000.00, a second mortgage securing a debt of \$20,000.00, and tax liens securing debt of \$6,325.00.

The real estate is also encumbered by the following judicial liens in the order of highest priority to lowest priority:

- (1) Judicial Lien #1 recorded 1/1/17 - \$1,000.00
- (2) Judicial Lien #2 recorded 2/1/17 - \$2,000.00
- (3) Judicial Lien #3 recorded 3/1/17 - \$3,000.00
- (4) Judicial Lien #4 recorded 4/1/17 - \$4,000.00

The Debtor claims the full exemption of \$23,675.00 pursuant to 11 U.S.C. § 522(d)(1).

Are any of the liens avoidable under § 522(f)?

Hypothetical #1 Order:

ORDER AVOIDING JUDICIAL LIEN

This matter is before the Court on the Debtor's Motion to Avoid Liens pursuant to 11 U.S.C. § 522(f)(1)(A) (the "Motion"). The Debtor represents that the following judicial liens impair an exemption to which the Debtor would have been entitled under 11 U.S.C. § 522(b) (listed in order of highest priority to lowest priority):

Name of Lienholder	Collateral ¹	Location	Book/Page	Amount Owed
Judicial Lien #1				\$1,000.00
Judicial Lien #2				\$2,000.00
Judicial Lien #3				\$3,000.00
Judicial Lien #4				\$4,000.00
(Add lines if necessary.)			TOTAL:	\$10,000.00

The Debtor states the liens held by the Lienholders impair the Debtor's exemption in the Real Property as follows:

A. Amount of lien to be avoided:	\$4,000.00 ²
B. Amount of all other liens:	\$132,325.00 ³
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$160,000.00
E. Value of debtor(s)' interest in property:	\$150,000.00
F. Subtract line E from line D:	\$10,000.00
G. Extent of Impairment:	Line F is greater than line A, so the entire lien is avoided.

¹ Although the columns are blank for the purpose of this hypothetical, the expectation is that counsel will fill in a description of the property, its location, and book/page columns with the necessary identifying information.

² The liens should be calculated in reverse priority as the lien with the highest priority will be the first to attach to any remaining equity.

³ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$3,000.00 + \$2,000.00 + \$1,000.00 = \$6,000.00).

A. Amount of lien to be avoided:	\$3,000.00
B. Amount of all other liens:	\$129,325.00 ⁴
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$156,000.00
E. Value of debtor(s)' interest in property:	\$150,000.00
F. Subtract line E from line D:	\$6,000.00
G. Extent of Impairment:	Line F greater than line A, so the entire lien is avoided.

A. Amount of lien to be avoided:	\$2,000.00
B. Amount of all other liens:	\$127,325.00 ⁵
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$153,000.00
E. Value of debtor(s)' interest in property:	\$150,000.00
F. Subtract line E from line D:	\$3,000.00
G. Extent of Impairment:	Line F is greater than line A, so the entire lien is avoided.

⁴ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$2,000.00 + \$1,000.00 = \$3,000.00).

⁵ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$1,000.00).

A. Amount of lien to be avoided:	\$1,000.00
B. Amount of all other liens:	\$126,325.00 ⁶
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$151,000.00
E. Value of debtor(s)' interest in property:	\$150,000.00
F. Subtract line E from line D:	\$1,000.00
G. Extent of Impairment:	Line F is equal to line A, so the entire lien is avoided.

The Court having reviewed the record and being otherwise sufficiently advised, it is ORDERED:

1. The Motion is GRANTED;
2. Judicial Liens #1, #2, #3, and #4 are AVOIDED and no longer have any force or effect pursuant to the terms of 11 U.S.C. § 522(f)(1)(A);
3. Unless the Debtor's bankruptcy case is dismissed, the avoided portion of the Lienholders' judicial liens will not survive the bankruptcy case or affix to or remain enforceable against Debtor's interest in the Real Property; and
4. The Lienholders shall release their fully avoided lien within 30 days of the entry of this Order. If the Lienholders fail to act within 30 days, the Debtor is authorized to present this Order to the applicable recording office and the designated recording officer shall record this Order in the applicable lien records.

⁶ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$0).

Hypothetical #2:

Chapter 7 Debtor files bankruptcy. Debtor schedules residential real estate valued at \$170,000.00. The Debtor also schedules a first mortgage securing a debt of \$100,000.00, a second mortgage securing a debt of \$20,000.00, and tax liens securing debt of \$6,325.00.

The real estate is also encumbered by the following judicial liens in the order of highest priority to lowest priority:

- (1) Judicial Lien #1 recorded 1/1/17 - \$1,000.00
- (2) Judicial Lien #2 recorded 2/1/17 - \$2,000.00
- (3) Judicial Lien #3 recorded 3/1/17 - \$3,000.00
- (4) Judicial Lien #4 recorded 4/1/17 - \$4,000.00

The Debtor claims the full exemption of \$23,675.00 pursuant to 11 U.S.C. § 522(d)(1).

Are any of the liens avoidable under § 522(f)?

Hypothetical #2 Order:

ORDER AVOIDING JUDICIAL LIEN

This matter is before the Court on the Debtor’s Motion to Avoid Liens pursuant to 11 U.S.C. § 522(f)(1)(A) (the “Motion”). The Debtor represents that the following judicial liens impair an exemption to which the Debtor would have been entitled under 11 U.S.C. § 522(b) (listed in order of highest priority to lowest priority):

Name of Lienholder	Collateral	Location	Book/Page	Amount Owed
Judicial Lien #1				\$1,000.00
Judicial Lien #2				\$2,000.00
Judicial Lien #3				\$3,000.00
Judicial Lien #4				\$4,000.00
TOTAL:				\$10,000.00

(Add lines if necessary.)

The Debtor states the liens held by Lienholders impair the Debtor’s exemption in the Real Property as follow (insert additional claims as needed):

A. Amount of lien to be avoided:	\$4,000.00 ⁷
B. Amount of all other liens:	\$132,325.00 ⁸
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$160,000.00
E. Value of debtor(s)’ interest in property:	\$170,000.00
F. Subtract line E from line D:	(\$10,000.00) ⁹
G. Extent of Impairment:	None.

⁷ The liens should be calculated in reverse priority as the lien with the highest priority will be the first to attach to any remaining equity.

⁸ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$3,000.00 + \$2,000.00 + \$1,000.00 = \$6,000.00).

⁹ Line F (-\$10,000.00) is less than Line A (\$4,000.00). The form order states that in this circumstance, a portion of the lien is avoidable. But in this instance, Line F is less than \$0, with \$0 representing no impairment. Line F in this calculation shows that there is \$10,000.00 in equity even after Judicial Liens #1-4 are satisfied. So Judicial Liens #1-4 are not avoidable. There is no need to go further with the calculation and/or file a motion because there is sufficient equity for all judicial liens to attach.

Hypothetical #3:

Chapter 7 Debtor files bankruptcy. Debtor schedules residential real estate valued at \$154,500.00. The Debtor also schedules a first mortgage securing a debt of \$100,000.00, a second mortgage securing a debt of \$20,000.00, and tax liens securing debt of \$6,325.00.

The real estate is also encumbered by the following judicial liens in the order of highest priority to lowest priority:

- (1) Judicial Lien #1 recorded 1/1/17 - \$1,000.00
- (2) Judicial Lien #2 recorded 2/1/17 - \$2,000.00
- (3) Judicial Lien #3 recorded 3/1/17 - \$3,000.00
- (4) Judicial Lien #4 recorded 4/1/17 - \$4,000.00

The Debtor claims the full exemption of \$23,675.00 pursuant to 11 U.S.C. § 522(d)(1).

Are any of the liens avoidable under § 522(f)?

Hypothetical #3 Order:

ORDER AVOIDING JUDICIAL LIEN

This matter is before the Court on the Debtor's Motion to Avoid Liens pursuant to 11 U.S.C. § 522(f)(1)(A) (the "Motion"). The Debtor represents that the following judicial liens impair an exemption to which the Debtor would have been entitled under 11 U.S.C. § 522(b) (listed in order of highest priority to lowest priority):

Name of Lienholder	Collateral	Location	Book/Page	Amount Owed
Judicial Lien #1				\$1,000.00
Judicial Lien #2				\$2,000.00
Judicial Lien #3				\$3,000.00
Judicial Lien #4				\$4,000.00
(Add lines if necessary.)			TOTAL:	\$10,000.00

The Debtor states the liens held by Lienholders impair the Debtor's exemption in the Real Property as follow (insert additional claims as needed):

A. Amount of lien to be avoided:	\$4,000.00
B. Amount of all other liens:	\$132,325.00 ¹⁰
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$160,000.00
E. Value of debtor(s)' interest in property:	\$154,500
F. Subtract line E from line D:	\$5,500.00 ¹¹
G. Extent of Impairment:	Line F greater than line A, so the entire lien is avoided.

¹⁰ This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining judicial liens that are not yet avoided (\$3,000.00 + \$2,000.00 + \$1,000.00 = \$6,000).

¹¹ Line F (\$5,500.00) is greater than Line A (\$4,000.00), so Judicial Lien #4 is completely avoidable.

A. Amount of lien to be avoided:	\$3,000.00
B. Amount of all other liens:	\$129,325.00 ¹²
C. Value of claimed exemption:	\$23,675.00
Statutory basis for exemption:	§ 522(d)(1)
D. Total of adding lines A, B, and C:	\$156,000.00
E. Value of debtor(s)' interest in property:	\$154,500
F. Subtract line E from line D:	\$1,500.00 ¹³
G. Extent of Impairment:	Line F is less than line A, so a portion of the lien is avoided.

The Court having reviewed the record and being otherwise sufficiently advised, it is ORDERED:

1. The Motion is GRANTED IN PART AND DENIED IN PART;
2. Judicial Lien #4 is AVOIDED and no longer have any force or effect pursuant to the terms of 11 U.S.C. § 522(f)(1)(A);
3. Judicial Lien #3 is PARTIALLY AVOIDED and is now a lien against the Real Property only in the amount of \$1,500.00 pursuant to the terms of 11 U.S.C. § 522(f)(1)(A);
4. Unless the Debtor's bankruptcy case is dismissed, the avoided portion of the Lienholder's judicial lien will not survive the bankruptcy case or affix to or remain enforceable against Debtor's interest in the Real Property; and
5. The Lienholder shall release a fully avoided lien or liens, or partially release a partially avoided lien or liens, within 30 days of the entry of this Order. If the Lienholder fails to act within 30 days, the Debtor is authorized to present this Order to the applicable recording office and the designated recording officer shall record this Order in the applicable lien records.

¹² This amount represents the first mortgage (\$100,000.00), second mortgage (\$20,000.00), tax liens (\$6,325.00) and the remaining portion of judicial liens that are unavoidable or not yet avoided (\$2,000 + \$1,000.00 = \$3,000.00).

¹³ Line F (\$1,500.00) is less than Line A (\$3,000.00), so Judicial Lien #3 is only partially avoidable. What is left is a positive number which shows the amount of the impairment. Judicial Lien #3 impairs the Debtor's exemption by only \$1,500.00 so the lien is only partially avoidable to that extent. For a lien that secures \$3,000.00 in debt, the result is that lien may continue to secure \$1,500.00 of the debt. As for the remaining judicial liens, there is no need to continue with the calculations as none of the remaining senior liens are avoidable.