

Instructions for the new TXSB Plan (1/1/2015)

Email support@legal-pro.com with any BankruptcyPRO questions regarding the new TXSB (1/1/2015).

Paragraph 4A

If you need to show the ongoing mortgage in Paragraph 4A, you will no longer set it as arrearage to force it to go there. It will need to be set to be paid through the plan (not direct pay). Instead, there is now a checkbox on the Special button for the Southern District Plan to cause it to print in that paragraph. If you do not check that box the ongoing mortgage will appear only on the Cover Sheet.

Paragraph 4B

If you need to get a creditor into Paragraph 4B in the plan, you will need to assign it a user-defined class (at the bottom left on the creditor dialog) of Class4B. This choice should appear on the dropdown. The Special button box to enter the differences between the old note and the new one will still pop up when you print the plan and you will need to enter that data there if applicable. The “Through the Chapter 13 Trustee”/”Directly to the holder of the claim, by the Debtor(s)” checkboxes will be checked based on whether the Direct Pay checkbox is checked on the Plan tab in that Class 4B creditor.

Paragraph 4C

To make a creditor appear in paragraph 4C as a lien strip creditor, you will need to have the creditor set to principal residence on the plan tab, and it should be set as Retain Collateral. BankruptcyPRO will handle the lien stripping using the following method so you should NOT select Claim as Exempt and Avoid Lien to use this method. Set it to be paid through the plan (not direct pay). You will need to set a user class for the creditor of Class4C. This choice will appear on the dropdown after you update the program. BankruptcyPRO will use the nature of lien to report the Priority. If you set the user class for a creditor to Class4C, it will show in that paragraph regardless of any equity available for that creditor. This is a manual assignment.

Paragraph 4C will repeat for each creditor to be paid in the plan (not direct, and retain collateral) where the user class is set to Class4C and the principal residence box is checked. It will show the senior liens for that creditor (from the order they are attached to the asset). The senior liens will be listed regardless of whether those creditors are paid through the plan.

If you wish to remove a creditor being listed as a senior lien from Paragraph 4C, you will need to detach it entirely from the asset. Unchecking the box to tie creditor to asset is not enough.

Paragraph 14—Emergency Savings Fund

You'll need to add a special class unsecured “creditor” for the Emergency Savings Fund. The User Class will be ESF. You should exclude this “creditor” from the Schedules and the Matrix.

(Right click on the creditor in the list of creditors in the case. Choose Schedules, Print this Creditor on Schedules. This will remove the checkmark if it is checked, and will remove the x from the Sch. Column on the list of creditors. To remove the creditor from the matrix, use the same right click option, but choose Matrix, Print this Creditor on Matrix to remove the checkmark. The x in the Mtx. Column will be removed.) The claim amount should be the amount you are projecting to pay into the fund under the plan. In the Plan calculator (13 button), double click on the Emergency Savings Fund "creditor" and set the Pay Method/Interest to Pass-Thru. When you use the Pass-Thru setting, the program will not calculate trustee's fees on this "creditor". Enter the amounts to be paid into the fund on the Fixed Payments tab. **If you have deducted the Emergency Savings Fund amount from the budget on Line 21, be sure to increase the plan payment amount(s) to take into account the Emergency Savings Fund amount(s).**

Lien Strip Notice

We have provided a FlashDOCs template to generate the notice. It is named (TXSB) Lien Strip Notice 05-02-12. You can download this at NO CHARGE into BankruptcyPRO's FlashDOCs as a template you can use across cases. In BankruptcyPRO, click on the green FD button. That will show you the list of templates on your computer. You'll see a tab that says Internet. Set the state to Texas and the District to Southern District. You should see an item named "(TXSB) Lien Strip Notice 05-02-12". Highlight that item and click download. The template will now show on your Local tab in FlashDOCS.

Your plan will need to be current to use the template. Once you have the template on your local list, you can highlight it and click on open and generate to have it fill in items from your case. This particular template will ask you several questions as it fills in the form. First it will ask you to select the creditor whose lien you are stripping. You will need to create a separate notice for each creditor whose liens are to be stripped (if more than one), so only select ONE creditor for the first question.

The next question is looking for the creditors to be listed in your certificate of service. Select as many as you need by holding down your Ctrl key and clicking on the different names presented. When you have everyone you need to notice selected, click the OK button.

The template will also add any required notifications to the service list. You can delete these after generating the template by removing the section named Required Notifications in the output file.

You will then be prompted for the date and time of the Confirmation Hearing. Just type it in the box. Click the OK button.

The last question is the courthouse address. Once you have entered that, click OK and FlashDOCs will generate your notice with the data from the case.

Once the form is generated, you can edit it if you need to, print it and/or Generate a PDF document.

NOTES: The template will look in the collateral field in the creditor for the address of the property so you will need to enter it there.

The template can be edited (carefully) by unchecking the read only box at the top. If you make a mistake, delete the template and reimport it. It will still be on the internet tab for you to retrieve it. For example, you can enter the courthouse address in the blue area where you see the notation in all caps. Make sure it stays blue. That way you won't have to type it each time.

The read only checkbox at the top of the template will re-enable after you close the template.