

**CONDUIT PAYMENT GUIDELINES FOR
THE OFFICE OF WILLIAM A. VAN METER
CHAPTER 13 TRUSTEE
Revised and Effective December 1, 2022**

I. Introduction

Pursuant to LR 3015(g)(2), each Chapter 13 Trustee may issue guidelines for the administration of Conduit Payments. As the Chapter 13 Standing Trustee, William A. Van Meter issues the following Guidelines. The Trustee is authorized to amend these Guidelines at anytime. The Trustee's current Guidelines can be found at www.renol3.com.

II. Definitions

- A) "Arrearage" means the amount of past-due payments, fees and/or charges owed by the debtor to a secured creditor as of the date of the order for relief.
- B) "Administrative Arrearage" means the installment payment or payments that come due to a Conduit Creditor under a proposed Chapter 13 plan prior to the time the Debtor's first plan payment is due. Unless the parties agree otherwise, this payment should be identified in the plan confirmation order as an Administrative Arrears claim and provided for in the same manner as other allowed secured claims.
- C) "Conduit Creditor" means any entity, or servicer for such entity, asserting a secured claim against real or personal property of the debtor for which the plan provides that postpetition contractual payments will be made by the Trustee.
- D) "Conduit Payment" means the monthly post-petition contractual payment on any allowed secured claim that will be disbursed by the Trustee.

III. Conduit Payment Requirement

- A) Pursuant to LR 3015(g)(1): For all chapter 13 cases filed on or after October 1, 2013, if there is a pre-petition arrearage on a claim secured by real property or a vehicle of the debtor, or if the debtor becomes more than one month delinquent on any post-petition installment payments to such a creditor, then all post-petition installment payments to the creditor must be made through the chapter 13 trustee as conduit payments. A debtor may be excused from this mandatory conduit payment requirement upon a showing of good cause. An increase in trustee's fees as a result of the conduit payment requirement shall not constitute good cause.

IV. Debtor's Duties

- A) At least 7 days prior to the date set for the initial § 341 Meeting of Creditors, the debtor must complete, sign, and provide the Trustee with the following forms available on the Trustee's website:
 - 1) Authorization to Release Information;
 - 2) If a proof of claim has not been filed, Conduit Creditor Information Worksheet; and
 - 3) If a proof of claim has not been filed, a copy of the most current statement the debtor received from the Conduit Creditor.
- B) In the absence of a proof of claim being filed, immediately upon receipt of any correspondence the debtor receives from a Conduit Creditor including, but not limited to, notices, statements, payment

coupons, escrow notices and default notices, the debtor must provide a copy of the same to the Trustee. Due to the large volume of documents received by the Trustee's office, all documents provided to the Trustee's office must include the debtor's name and case number. All documents related to Conduit Payments should be sent to the Trustee's office as follows:

a. Mail: William A. Van Meter, Trustee, P.O. Box 6630, Reno, NV 89513

b. E-Mail: conduit@reno13.com

c. Fax: (775) 324-3313

- A)** In order for Trustee to effectively administer Conduit Payments, the debtor's monthly plan payment should be received by the Trustee no later than the 15th of each month prior to the due date of any Conduit Payment. The debtor must make timely plan payments in full each month in order to avoid late fees imposed by a Conduit Creditor. If the debtor becomes delinquent on plan payments, the debtor's cure of the default must be accompanied by a cure of any applicable late charges imposed by a Conduit Creditor.
- B)** To preserve plan feasibility and/or to prevent a material reduction in the proposed distribution to holders of other allowed claims, the Debtor's proposed monthly plan payment may be increased as necessary without notice and hearing based on a material increase in the proposed conduit mortgage payments based on a Notice of Payment Change filed pursuant to Fed. R. Bankr. P. 3002.1(b) or an unopposed Notice of Fees, Expenses and Charges filed pursuant to Fed. R. Bankr. P. 3002.1(c). The Trustee may propose a plan payment increase by filing and serving a Notice of Increased Plan Payment. In the absence of any objection to the Trustee's proposed increased plan payment, the proposed payment change shall be effective 30 days after the Notice is filed by the Chapter 13 Trustee.

V. Conduit Creditor Duties

- A)** A Conduit Creditor must file a proof of claim asserting the monthly post-petition payment amount the debtor is obligated to make under the terms of the note or contract. If a Conduit Creditor does not file a proof of claim, the Trustee may disburse the monthly Conduit Payment in the amount reflected on the following documents, in the order of availability:
- 1) the most current billing statement provided to the Trustee by the debtor; or
 - 2) the Conduit Creditor Information Worksheet provided to the Trustee by the debtor.
- Such payments will constitute full monthly Conduit Payments to the Conduit Creditor. Any Conduit Payment received by a Conduit Creditor must be applied to the post-petition monthly installment payments due under the terms of the note or contract.
- B)** A Conduit Creditor must, upon request, provide Trustee with copies of all notices, statements, payment coupons, escrow notices, default notices, and any other correspondence relating to its claim or collateral.
- C)** A Conduit Creditor asserting a change in the amount of a Conduit Payment must file a Notice of Payment Change with the Court as required by Rule 3002.1 and must serve it on the debtor, debtor's counsel, and Trustee. The Notice must be prepared as prescribed by Official Form B 410S-1.
- D)** Any Secured Creditor asserting a post-petition fee, expense, or charge as required by Rule 3002.1 must file a Notice of Fees, Expenses and Charges prepared as prescribed by Official Form B 410S-2. The Notice must be filed with the Court, and served on the debtor, debtor's counsel, and Trustee.

E) Trustee's Duties

A) The Trustee prepares his monthly distribution to Creditors on the last business day of each month. Accordingly, payments tendered to the Trustee as Conduit Payments during any given month will be disbursed to the applicable Conduit Creditor on the last business day of the month to be applied to the mortgage payment due the following month. The Trustee will only disburse the full amount of a Conduit Payment to a Conduit Creditor. If the balance on hand in the debtor's account with the Trustee is insufficient to pay both Trustee's fees and the full Conduit Payment, the Trustee will hold such funds until a sufficient amount is received from the debtor to disburse the full Conduit Payment. In order for Trustee to effectively administer Conduit Payments, the debtor's monthly plan payment should be received by the Trustee no later than the 15th of each month prior to the Conduit Payment due date.

B) Unless ordered otherwise, if a party objects to a Conduit Creditor's Proof of Claim, Notice of Postpetition Mortgage Fees, Expenses and Charges, or Notice of Payment Change, the Trustee may hold the disputed funds in reserve pending a resolution of the objection.

C) The Trustee will pay the ongoing mortgage payment based on the information available at the time of confirmation and modify the ongoing mortgage payment based on a timely filed Notice of Payment Change filed pursuant to Fed. R. Bankr. P. 3002.1(b) without Notice or Order of Court. To preserve plan feasibility and/or to prevent a material reduction in the proposed distribution to holders of other allowed claims, the Debtor's proposed monthly plan payment may be increased as necessary without notice and hearing based on a material increase in the proposed conduit mortgage payments based on a Notice of Payment Change filed pursuant to Fed. R. Bankr. P. 3002.1(b) or an unopposed Notice of Fees, Expenses and Charges filed pursuant to Fed. R. Bankr. P. 3002.1(c). The Trustee may propose a plan payment increase by filing and serving a Notice of Increased Plan Payment. In the absence of any objection to the Trustee's proposed increased plan payment the proposed payment change shall be effective 30 days after the Notice is filed by the Chapter 13 Trustee.

D) Based on the assumption that a reduction in the Debtor's mortgage payment would presumably result in an increase in the Debtor's ability to increase the distribution to holders of other allowed claims, the Trustee will not propose payment reductions based on a notice of a reduction in the Debtor's ongoing mortgage payment. Proposed reductions in plan payments must be based on a proposed plan modification based on 11 U.S.C. § 1329.

VI. Conduit Payment Procedure

A) Disbursements of Conduit Payments will be made to the payment address indicated in the Conduit Creditor's proof of claim, or in a subsequent assignment/transfer of claim or amended proof of claim. If a proof of claim is not filed, the Conduit Creditor's address may be determined from the following documents, in the order of availability:

- 1)** the most current Conduit Creditor statement provided to the Trustee by the debtor; or
- 2)** the Conduit Creditor information worksheet provided to the Trustee by the debtor.

VII. Loan Modifications

A) If the debtor is offered a trial loan modification, Trustee will adjust the Conduit Payment to the trial loan modification payment after a Stipulation and Order consenting to the trial loan modification payment has been entered on the Court's docket. The Trustee may suspend Conduit Payments pending entry of the Order approving the trial loan modification payments. If a permanent loan

modification is approved, the debtor must file a Motion to Approve the Loan Modification and modify the plan to effectuate a change in the amount of the Conduit Payment. The Trustee may suspend Conduit Payments pending entry of the order approving the permanent loan modification. Prospective Conduit Payments will be based on these court approved agreements notwithstanding amounts disclosed in a previously filed Proof of Claim or Notice of Payment Change.

- B) Loan modifications resulting from the Chapter 13 Mortgage Modification Mediation program shall be administered pursuant to the procedures adopted by the bankruptcy court pursuant to LR 3015.1. The procedures can be found on the bankruptcy court website: www.nvb.uscourts.gov

VIII. Taxes and/or Insurance

- A) Debtor must maintain insurance as required by any law or contract on all encumbered property. The Debtor must provide proof of insurance upon request. The Debtor must also provide proof of payment of all post-petition real estate taxes and insurance not included in the Conduit Payment and paid by the secured creditor.

IX. Changes to the Conduit Payment

- A) If a Conduit Creditor files a Notice of Payment Change and no objection to such Notice is filed within fifteen (15) days, the Trustee will disburse Conduit Payments in the new amount without modification of the chapter 13 plan.

X. Post-Petition Fees, Expenses, and Charges

- A) If a Conduit Creditor files a Notice of Post-Petition Fees, Expenses, and Charges and no objection to such Notice is filed within fifteen (15) days, the Trustee will add such amounts to the Conduit Creditor's Administrative Arrearage claim. To preserve plan feasibility and/or to prevent a material reduction in the proposed distribution to holders of other allowed claims resulting from the post-petition fee, expense or charge, the Debtor's proposed monthly plan payment may be increased as necessary without notice and hearing. The Trustee may propose a plan payment increase by filing and serving a Notice of Increased Plan Payment. In the absence of any objection to the Trustee's proposed increased plan payment the proposed payment change shall be effective 30 days after the Notice is filed by the Chapter 13 Trustee.

XI. Transfer or Assignment of a Conduit Claim

- A) In order to receive proper disbursements, any Transfer of Claim (Official Form B 2100A) or amended Proof of Claim must be filed with the Court no later than 20 days prior to the end of the current month.

XII. Direct Payment Procedure

- A) In the event the bankruptcy court authorizes the Debtor to make direct payments to a Secured Creditor, the Trustee may request that the plan confirmation order include a provision requiring the debtor to submit verification of the post-petition payments to the Secured Creditor on a regular basis at least as frequently as once every six months. Such submissions must demonstrate that each ongoing payment has been made by the debtor. If the debtor submits verification to Trustee once every six months then the debtor must provide proof that all six payments were made during that interval. If verification of the ongoing payments is not received, the Trustee may request a plan modification requiring Conduit Payments to the Secured Creditor.

- B)** If the debtor becomes delinquent on payments to any creditor provided for under the chapter 13 plan, the Trustee may file a modified plan requiring these payments to be made through the Trustee as Conduit Payments.

XIII. Trustee's Contact Information

Correspondence Address: William A. Van Meter
P.O. Box 6630
Reno, NV 89513

Payment Address: William A. Van Meter
P.O. Box 1745
Memphis, TN 38101-1745

Phone: (775) 324-2500

Fax: (775) 324-3313

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