

Closing Process and General Reminders (from Pam)

A. Closing Process:

1. Our office runs reports to find cases that are paid in full or close to being paid in full. When the case shows up on this report, we audit the case. Please note that depending on the timing of the last payment, especially if it is bigger than a regular payment, and the timing of when we run our reports, there can be almost a 30 day difference between when the final payment posts and when the case shows up to be audited for closing.

a. Note: If the debtors write “Final Payment” on the receipt, then the auditing department will be notified that an alleged final payment was made and this will trigger a quicker audit of the case.

2. When we complete the audit and confirm that the case is paid in full, our office will send the payroll release.

a. Our office can't send the payroll release until we have posted ALL payments necessary to close the case as paid in full.

b. If the debtor or your office wants to email us the fax number or email address for their payroll department, we will fax or email the release to the employee's payroll department as a courtesy.

3. In general, our office internally closes cases as paid in full twice a month. We generally do a set of close-outs the week after disbursement and near the end of the month. Unfortunately, there are usually a couple of times a year that we are only able to fit in one close-out date instead of the usual two a month.

4. The trustee reviews all close-out checks. As soon as I have the close-out paperwork back from him, the paid in full cases are divided into two groups, the ones that need 3002.1 cure notices and the ones that don't need 3002.1 cure notices. If the case doesn't need a 3002.1 notice, then the Notice of Completion of Plan Payments is generally filed within a week of the close-out being completed. **If the case has a 3002.1 cure notice, our office MUST wait 21 days from the 3002.1 cure notice date to file the Notice of Completion of Plan Payments!!**

5. The court will let you file the Personal Financial Management forms at any time during the case but you the court will not accept the DSO certifications until the Notice of Completion of Plan Payments has been filed with the court.

6. Our office files the Final Report about 60 days after the close-out process is completed IF all checks have cleared AND the balance on hand in the case is zero. If our office has received a creditor return or if a check has to be voided and reissued/turned over to the bankruptcy court, then this process can be delayed.

7. If the DSO certifications and/or Personal Financial Management forms have NOT been filed with the court when our office files our Final Report, then the court will close the case without a discharge.

8. If the case has an order entered denying the discharge, then the court just closes the case. Please note that here is NO notice to anyone at the end of the case in this situation. The clerk feels that the notice regarding the original order denying the discharge covers the notice issue.

B. General Reminders:

1. When you file a minimum percent case, please make sure that the client understands that the case can run beyond the minimum term [36 months in most cases]. Our office takes numerous calls daily on this issue because debtors believe that they are done when the minimum term is done.
2. In 60 month base cases, please make sure your client understands that the case will not end early, even if a secured creditor is removed, unless the case reaches 100% before the 60 month base amount is met.
 - a. Common example – The debtors have to pay \$500 – 60 months – 10%. There is a large arrears but they end up completing a loan modification so the arrears are not being paid through our office anymore. The debtors think that this will reduce the base amount to be paid into the plan but it will actually just increase the percent paid to unsecured creditors. The debtors must still pay in the total of \$30,000 unless 100% repayment is less than this amount.
3. The NDC is an excellent source of information for the debtor to be able to keep track of their case but it should never be used to determine a payoff amount. Please have them request a payoff if they have funds to pay a case in full. You **MUST** provide the source of funds for the payoff amount. In some situations, we will need documentation regarding the source of funds. If the source is from non-exempt funds, then the plan will have to be modified by you to increase the base and percent to unsecured for those non-exempt funds, such a personal injury settlement [even if it is post-petition].

4. If you are paying all student loan claims outside/direct, then it is best if section G just states that the trustee is not to make payments on ANY student loan claims. When you name a specific loan company, many times another loan company files the claim and then our office has to post that claim to be paid. If certain student loans are being paid direct by the debtor and certain ones are being paid through the plan, then please give enough detail so our office can match up with ones are which. If claims are filed, it is best if the plan refers to the claim numbers!

5. **Please file debtor education certifications as soon as you have them.** Our office sends out Personal Financial Management reminders at audits and it causes a lot of confusion when the debtors have already done the class but the attorney has failed to file the certifications with the court.

6. The closing and claims departments prefer to correspond by email. If you or the debtors are requesting a payoff, please use our website to complete this request. Again, you **MUST** disclose the source of funds.
 - a. For claims questions, please email Laura at hedberg_l@lisle13.com
 - b. For auditing/closing type of questions, please email:
 - i. Casey at jones_c@lisle13.com if the debtors last name starts with A-G
 - ii. Ryan at Faye_r@lisle13.com if the debtors last name starts with H-O
 - iii. Vickie at bequeaith_v@lisle13.com if the debtors last name starts with P-Z.

7. If you have a more complicated question or one of the above people haven't responded to your question, please feel free to email me, Pam Peterson, at peterston_p@lisle13.com.