

CONTENT OF MOTIONS TO APPROVE LOAN MODIFICATION AND RELATED ORDERS

The Court is aware that, in connection with the modification of existing loans, lenders often desire, or require, approval of the modification by the Court. The Court is willing to provide such approval, but to do so, it needs some basic information on the benefit to the debtor of the modification. In a motion to approve a loan modification, the motion should apprise the Court, without resort to a detailed review of attached documents, of the benefits to the debtor of the proposed modification. Such information should include, at a minimum, all of the following (to the extent applicable):

- a. The pre-modification terms, including each of the following:
 - Original date of the loan;
 - Maturity date;
 - Principal balance;
 - Interest rate and whether such rate is fixed or variable;
 - Monthly principal and interest payment;
 - Monthly escrow payment;
 - Total monthly payment; and
 - Total dollar amount of any arrearage (including any costs and fees).

- b. The post-modification terms, including each of the following:
 - Maturity date;
 - Principal balance;
 - Interest rate and whether such rate is fixed or variable;
 - Monthly principal and interest payment;
 - Anticipated monthly escrow payment;
 - Anticipated total monthly payment; and
 - Treatment of any arrearage (including amounts), such as being rolled into the new principal balance, being forgiven, being moved to a deferred or separate note, or any other treatment.

- c. If any portion of the outstanding balance will be moved to a deferred or any other note, the basic terms of such note, such as principal amount, interest rate, maturity, and payment terms (such as whether the balance will be due at maturity or paid prior to maturity).

In the absence of sufficient information in the motion to determine the benefit of the loan modification to the debtor, such a motion will be heard, even in the absence of objection, so that such information can be obtained on the record.

Orders granting such motions can contain stipulations of facts regarding the existing or revised loan (amount owed, interest rate, payment etc.) but such stipulations should not purport to be findings by the Court unless the matter is actually heard and evidence presented. Also, the Order should not order or direct the debtor to enter into the modification or make the corresponding payments – it should merely authorize the debtor to do so.

As of 8/31/20