



United States Bankruptcy Court District of New Jersey

Honorable Kathryn C. Ferguson, Chief Judge

Jeanne A. Naughton, Clerk

The purpose of this notice is to advise New Jersey Bankruptcy CM/ECF participants of new system and operational developments and to highlight issues that require immediate attention.

Office Locations

Newark

Martin Luther King, Jr. Federal Building
50 Walnut Street
Newark, NJ 07102
Phone (973) 645-4764

Trenton

Clarkson S. Fisher US Courthouse
402 East State Street
Trenton, NJ 08608
Phone (609) 858-9333

Camden

US Post Office and Courthouse
401 Market Street
Camden, NJ 08101
Phone (856) 361-2300

CM/ECF Helpdesk email address

cmecf_help_desk@njb.uscourts.gov

LOSS MITIGATION - GENERALLY

This Notice is intended to highlight changes made to the Court's Loss Mitigation Program (LMP) that are effective December 17, 2019.

The following new and revised documents have been posted under Quick Links on the Court's web site, www.njb.uscourts.gov:

- Important Notice to the Bar and Public Concerning Third Amended General Order Adopting Loss Mitigation Program and Procedures and Revised Local Forms
- Third Amended General Order Adopting Loss Mitigation Program and Procedures
- Loss Mitigation Program and Procedures
- Notice of Request for Loss Mitigation – By The Debtor
- Notice of Request for Loss Mitigation – By A Creditor
- Loss Mitigation Order
- Application for Extension or Early Termination of Loss Mitigation Period
- Order Respecting Request for Extension or Early Termination of the Loss Mitigation Period
- Interim Confirmation Order
- Order on Motion for Authorization to Enter Into Final Loan Modification Agreement (Chapter 11 or 12) [new]
- Order on Motion for Authorization to Enter Into Final Loan Modification Agreement (Chapter 13) [new]

OVERVIEW OF CHANGES TO LOSS MITIGATION PROGRAM

- The definition of loss mitigation has been limited to loan modification or refinance.
- Loss mitigation is no longer available in Chapter 7 cases.
- The definition of real property is no longer limited to a principal residence.
- Additional service requirements for debtors and creditors seeking to commence loss mitigation are included.
- Denial of a previous request for loss mitigation within a specific time period may be grounds for an objection.
- The specific adequate protection payment must be included in the proposed loss mitigation order.
- A request or motion for loss mitigation will not be considered as an objection to a pending motion for relief from stay.
- The *Interim Confirmation Order* has been modified regarding distributions that may be authorized and adequate protection payments to loss mitigation creditor.
- The requirement that loss mitigation parties file a Loss Mitigation Final Report has been eliminated from the Loss Mitigation Order.
- Loss mitigation parties may consent to extending or terminating the loss mitigation period.
- The objection period to an application to extend or terminate the loss mitigation period has been extended from 3 days to 7 days.
- The impact on LMP when a case is dismissed has been modified.
- Two new local forms have been created: *Order on Motion for Authorization to Enter Into Final Loan Modification Agreement (Chapter 13)* and *Order on Motion for Authorization to Enter Into Final Loan Modification (Chapter 11 or 12)*.
- Throughout the LMP, 10-day timeframes have been replaced with 14-day timeframes, additional service requirements have been included as well as stylistic modifications.

EFILING GUIDANCE RELATED TO CHANGES TO LOSS MITIGATION PROGRAM

- The Court's Loss Mitigation Program is no longer available in Chapter 7 cases; therefore, the events *Notice of Request for Loss Mitigation* and *Motion for Approval to Participate in the Court's Loss Mitigation Program* can no longer be utilized in Chapter 7 cases.
 - The *Loss Mitigation Final Report* event will be phased out of CM/ECF in the future as this requirement has been eliminated in the revised LMP.
 - The 3-day objection deadline in the *Extend or Terminate Loss Mitigation* event has been updated to reflect the change in the LMP to 7 days.
 - Use of the current local forms included in the revised LMP is mandatory. Failure to submit the current mandatory local forms may result in rejection or delays in processing of documents in the LMP.
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