

## Conduit Plan required language and instructions for completing the tables

To treat pre-petition arrears, ongoing payments, and GAP payments, use the language below in 8.1(a). Add or delete rows as applicable; change numbering if necessary.

### APPROVED NON-STANDARD LANGUAGE FOR CONDUIT MORTGAGE PLANS

Approved non-standard language for Conduit Mortgage Plans to be included in Part 8 of the form plan (required by SC LBR 3015-1):

**8.1 (a) Mortgage payments to be disbursed by the Trustee (“Conduit”):**

Mortgage payments, including pre-petition arrears, will be paid and cured by the Trustee as follows:

← This language is required and must be included above this table

Name of Creditor	Description of Collateral (note if principal residence; include county tax map number and complete street address)	Current installment payment (ongoing payment amount) *	Monthly payment to cure GAP ** (post-petition mortgage payments for the two (2) months immediately following the event beginning conduit)	Estimated amount of PRE-PETITION ARREARAGE** (including the month of filing or conversion)*	Monthly Payment on pre-petition arrearage
		\$ _____ Escrow for taxes: <input type="checkbox"/> Yes <input type="checkbox"/> No  Escrow for insurance: <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____ Or more	\$ _____	\$ _____ Or more
		\$ _____ Escrow for taxes: <input type="checkbox"/> Yes <input type="checkbox"/> No  Escrow for insurance: <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____ Or more	\$ _____	\$ _____ Or more

complete these two columns the same way as in a non-conduit plan

Must check either **yes** or **no** for both taxes and insurance

**How to calculate GAP payment amount:**  
 1. multiply monthly mortgage payment by 2  
 2. divide that amount by the total number of months in the plan  
  
 e.g., monthly mortgage payment is \$1000  
 1. \$1000 x 2 = \$2000  
 2. \$2000 divided by 60 = \$34 (round up)

\* Unless otherwise ordered by the Court, the amounts listed on a Compliant Proof of Claim or a Notice filed under Fed. R. Bankr.P. 3002.1 control over any contrary amounts above, and any Notice of Mortgage Payment Change that might be filed to amend the ongoing monthly payment amount.

\*\* The GAP will be calculated from the payment amounts reflected in the Official Form 410A Mortgage Proof of Claim Attachment and any Notice of Mortgage Payment Change that might be filed to amend the monthly payment amount, but should not be included in the prepetition arrears amount.

**All payments due to the mortgage creditor as described in any allowed Notice of Fees, Expenses, and Charges under Fed. R. Bankr. 3002.1, filed with the Court, will be paid by the Trustee according to the requirements of SC LBR 3015-1 on a pro rata basis as funds are available.**

Once the trustee has filed a Notice of Final Cure under Fed. R. Bankr. P. 3002.1(f), the debtor shall be directly responsible for ongoing mortgage payments and any further post-petition fees and charges.

All of this language is required and must be included below the table.

To treat post-petition arrears, use the language below in 8.1(b).  
Add or delete rows as applicable; change numbering if necessary.

**8.1(b) Cure of post-petition mortgage delinquency.**

The debtor's post-petition mortgage arrearage will be paid in full through disbursements by the trustee.

This language is required and must be included above this table

**NOTE:** this table will also be used in a non-conduit case, if the plan is being modified to pay post-petition arrears to settle (or prevent) a 362 motion.

Must state which post-petition months are being paid through the plan as post-petition arrears. Do not include any ongoing monthly payments already made by the trustee.

Name of Creditor	Description of Collateral (note if principal residence; include county tax map number and complete street address)	Estimated amount of post- petition arrearage	Months being paid as post-petition arrearage	Monthly plan payment on post- petition arrearage
		\$ Or more		\$ Or more
		\$ Or more		\$ Or more

\* Unless otherwise ordered by the court, the arrearage will be calculated from the months listed above, with payment amounts reflected in the Official Form 410A Mortgage Proof of Claim Attachment and any Notice of Mortgage Payment Change.

This language is required and must be included below this table

**Additional Notes:**

- The plan payment must be high enough to cover ALL secured claims (including pre-petition arrearage payment, GAP payment, and ongoing mortgage payment) plus the trustee fee.
- If the loan is escrowed, more than likely the mortgage payment will fluctuate at some point during the case due to taxes and insurance. If the plan is no longer feasible due to the mortgage payment increasing, our office will contact the attorney for a payment increase stipulation.
- When curing a plan delinquency in a conduit case, you may or may not need to add post-petition arrears into the plan. You will need to review 13network.com to see what month the ongoing mortgage payment is due for, and then determine if you need to include any post-petition arrears. If the ongoing mortgage payments are current and we have enough funds on hand to disburse the next ongoing mortgage payment, you probably will not need to add post-petition arrears to the plan. However, if the modified plan is being filed towards the end of the month and we will not receive a payment prior to disbursement (1st Friday of the month), you will probably need to add that month in as post-petition arrears.
- If you are doing a moratorium for future months (e.g., if the debtor will be out of work for surgery), you will need to add in post-petition arrears for the same months as the moratorium months.
- If you are adding in post-petition arrears to cure a 362, the plan base needs to be increased to cover those arrears and trustee fee so that it doesn't affect the unsecured creditors' dividend.
- If the case started as a non-conduit case and is being changed to a conduit case, you will need to use the Excel conduit spreadsheet at the link below to determine which months should be treated as post-petition arrears.
- If the debtor paid any of the post-petition arrears directly to the mortgage creditor, additional language is required in the plan (see Excel conduit spreadsheet at the link below for details).

Click [here](#) for Trustee's Excel conduit spreadsheet for use when plan changes from non-conduit to conduit