

Rule 3015-2

Chapter 13 Plan Requirements and Confirmation

(a) Applicability. This LBR applies to all chapter 13 cases filed in all divisions of the United States Bankruptcy Court for the District of Puerto Rico.

(b) Service and Notice of Plan. The debtor shall serve a copy of the chapter 13 plan on all creditors, the chapter 13 trustee, and other parties in interest at the time it is filed with the court. A certificate of service setting forth the date and manner of service and the names and addresses of all parties to whom the plan was served, shall be filed contemporaneously with the court.

(c) Objections to Plan Filed Prior to Meeting of Creditors.

(1) Term to Object. Objections to the confirmation of a chapter 13 plan that is timely filed and noticed prior to the § 341 meeting of creditors must be filed not later than seven (7) days after the date of the § 341 meeting of creditors. If the § 341 meeting of creditors is continued to another date, objections must be filed not later than seven (7) days after the continuation date.

(2) Written Objection. An objection to the confirmation of a chapter 13 plan shall be made by motion setting forth the facts and legal arguments that give rise to the objection in sufficient detail to allow the debtor to file a reply or an amended plan that addresses the objection.

(3) Trustee's Objection in Minutes of Meeting of Creditors. The chapter 13 trustee may elect to object to the confirmation of a chapter 13 plan in the minutes of the § 341 meeting of creditors instead of filing a separate motion of objection under subsections (c)(1) and (c)(2) of this local rule.

(4) Oral Objection. An oral objection may be made on the record at the § 341 meeting of creditors by any party in interest, and shall be included in the minutes of the § 341 meeting of creditors. The oral objection included in the minutes of the § 341 meeting of creditors may substitute the separate motion of objection required to be filed not later than seven (7) days after the meeting of creditors by subsections (c)(1) and (c)(2) of this local rule. However, if the oral objection is not resolved to the satisfaction of the objecting party, the objecting party must file a separate subsection (c)(2) motion of objection reiterating the oral objection no later than seven (7) days prior to the first confirmation hearing in order to preserve its objection.

(5) Service of Objection. The objecting party shall file the objection with the court and serve the objections on the chapter 13 trustee, the debtor, and the debtor's attorney. The objection shall be accompanied by proof of service evidencing compliance with this requirement.

(6) Response to Objection. If an objection to a chapter 13 plan is filed, the debtor must within seven (7) days after service of the objection file either:

(A) an amended plan that addresses each objection; or

(B) a reply setting forth the facts and legal arguments that give rise to the reply in sufficient detail to allow each objector, if possible, to reconsider and withdraw its objection.

(d) Amendments to Plan Between Meeting of Creditors and First Confirmation Hearing. In order to confirm at the first confirmation hearing an amended plan filed with the court after the § 341 meeting of creditors, the amended plan must be received by the chapter 13 trustee and filed with the court at least fourteen (14) days before the first confirmation hearing.

(1) Written Objection. An objection to the confirmation of the amended plan must be filed no later than fourteen (14) days from the date the amended plan is filed or seven (7) days before the date set for the first confirmation hearing, whichever is earlier, and shall be made by motion setting forth the facts and legal arguments that give rise to the objection in sufficient detail to allow the debtor to file a reply or another amended plan that addresses the objection.

(2) Trustee's Objection. The chapter 13 trustee may file an objection to the confirmation of an amended plan no later than fourteen (14) days from the date the amended plan is filed or five (5) days before the date set for the first confirmation hearing, whichever is earlier.

(e) First Chapter 13 Confirmation Hearings. The first confirmation hearing scheduled in the notice of the § 341 meeting of creditors issued by the court will be a non evidentiary confirmation hearing.

(1) The plan may be confirmed at the first confirmation hearing if:

(A) an objection has not been filed by the chapter 13 trustee, any creditor or other party in interest, or if filed, has been withdrawn or otherwise disposed of;

(B) all requirements for confirmation under §§ 1322 and 1325 as well as all other applicable provisions of the Bankruptcy Code are satisfied; and

(C) there is no motion to dismiss, convert, or abstain pending in the case.

(2) The confirmation hearing will be rescheduled to a later date as a contested confirmation hearing if:

(A) the chapter 13 trustee, a creditor or any other party in interest files an objection to the plan before the first confirmation hearing;

(B) the § 341 meeting of creditors has not been held and closed prior to the first confirmation hearing; or

(C) an amended plan was filed less than fourteen (14) days prior to the first

confirmation hearing.

(3) If the chapter 13 plan is not confirmed at the first confirmation hearing and the hearing is continued to a contested confirmation hearing, the court may consider the dismissal or conversion to chapter 7 for cause at the contested confirmation hearing.

(f) Amended Plan Filed Less Than 14 Days Before First Confirmation Hearing or After the First Confirmation Hearing. If an amended plan is filed less than fourteen (14) days before the first confirmation hearing or is filed after the first confirmation hearing, objections to that amended plan must be filed no later than fourteen (14) days after the date the amended plan is filed. The objection shall be made by motion setting forth the facts and legal arguments that give rise to the objection in sufficient detail to allow the debtor to file a reply or an amended plan that addresses the objection. The amended plan may be confirmed prior to the contested confirmation hearing date if no objection is filed within fourteen (14) days from the date that the amended plan is filed.

(g) Response to Objections Filed Before Contested Confirmation Hearing.

(1) If an objection to a plan is filed, the debtor must within seven (7) days after service of the objection file either:

(A) an amended plan that addresses each objection; or

(B) a reply setting forth the facts and legal arguments that give rise to the reply in sufficient detail to allow each objector, if possible, to reconsider and withdraw its objection.

(2) If seven (7) days prior to the contested confirmation hearing the debtor has not complied with subsection (g)(1), the court may impose sanctions, including but not limited to, reduction in or disgorgement of attorney's fees, denial of confirmation, or dismissal of the petition.

(h) Contested Confirmation Hearings. If a plan is not confirmed at the first confirmation hearing under subdivision (e) of this local rule, the confirmation hearing will be continued and scheduled for a contested confirmation hearing by announcement at the first confirmation hearing of the continued date and time, without further written notice. The continued date and time will be reflected in the minutes of the first confirmation hearing.

(1) At the commencement of the contested confirmation hearing calendar, the court may call for the record and confirm those cases in which the plan:

(A) has not been objected to by the chapter 13 trustee, any creditor or other party in interest;

(B) complies with all requirements for confirmation under §§ 1322 and 1325 and all other applicable provisions of the Bankruptcy Code; and

(C) there is no motion to dismiss, convert, or abstain pending in the case.

(2) Any creditor who objects to confirmation of the plan shall attend the contested confirmation hearing if the objection is not resolved or withdrawn prior to the hearing. If the objecting creditor does not appear at the contested confirmation hearing, the court may overrule the objection for failure to prosecute the same.

(3) If the court denies confirmation of a plan at a contested confirmation hearing, the court may enter an order dismissing or converting the case to chapter 7 for cause without further notice or hearing.

(4) The court may continue a contested confirmation hearing from time to time by announcement at the contested confirmation hearing of the continued date and time without further written notice. The continued date and time will be reflected in the minutes of the contested confirmation hearing.

(i) Dismissal of Case upon Denial of Confirmation. If the court denies confirmation of the debtor's plan, the court may issue an order dismissing the case unless, within fourteen (14) days after denial of confirmation:

(1) the debtor files a new plan;

(2) the debtor moves to convert the case to another chapter of the Bankruptcy Code;

(3) the debtor files a motion for relief from the application of this subsection of the local rules; or

(4) the court otherwise orders.

(j) Discharge Upon Completion of Plan.

(1) Upon completion of the debtor's confirmed plan and in compliance with domestic support obligations ("DSO") requirements pursuant to § 1328(a), the Trustee's Report of Plan Completion shall state:

(A) that there were no DSO due to be paid by the debtor;

(B) that there were DSO due to be paid by the debtor and that the debtor has certified that those obligations are current;

(C) that there were DSO owed by the debtor, that the trustee is unable to determine if they are current, and the debtor has not applied for a waiver under applicable statute.

(2) If the trustee informs the court in writing that he is unable to determine if the debtor is current with domestic support obligations, the court shall issue a notice of intent to close the case without a discharge unless, within fourteen (14) days, the debtor files a

certification with the court, under penalty of perjury, stating that all post-petition DSO are current.

(k) Full Force and Effect. An order previously entered by the court confirming a chapter 13 plan shall remain in full force and effect until a subsequently modified post-confirmation chapter 13 plan is approved by the court. Upon filing of a request for modification which proposes discontinuance of further distributions on a particular claim or claims, the trustee is authorized to hold such funds in reserve until the request is resolved by the court.