

NACTT Academy Webinar

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It's Here to Stay: Bankruptcy Rule 3002.1

Speakers:

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General Comments

- Amended Bankruptcy Rules and Forms apply in existing cases.
- Official Forms are mandatory and cannot be altered.
- There are Official Forms for Rule 3002.1 motions, notices, and responses but not for any resulting court order. Review local rules and forms.
- The ECF docket codes for the new forms vary from jurisdiction to jurisdiction.
- There are 3 sets of new forms: a motion/response; a notice/response; and another motion/response. But the data points to be reported in each form are fairly uniform.

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Rule 3002.1. Chapter 13 – Claim Secured by a Security Interest in the Debtor’s Principal Residence

- 3002.1(a) – In General.
- 3002.1(b) – Notice of Payment Change; Home Equity Line of Credit; Effect of an Untimely Notice; Objection.
- 3002.1(c) – Fees, Expenses, and Charges Incurred After the Case Was Filed; Notice by the Claim Holder.
- 3002.1(d) – Filing Notice as a Supplement to a Proof of Claim.
- 3002.1(e) – Determining Fees, Expenses, or Charges.
- 3002.1 (f) – Motion to Determine Status; Response; Court Determination.
- 3002.1 (g) – Trustee’s End-of-Case Notice of Disbursements Made; Response; Court Determination.
- 3002.1 (h) – Claim Holder’s Failure to Give Notice or Respond.

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New Official Forms Implementing Amended Rules 3002.1(f) and 3002.1(g) Effective December 1, 2025]

Form Number	Form Name	Filed By Whom	Filed When	Comment
410C13-M1	Motion to Determine the Status of the Mortgage Claim <i>Rule 3002.1(f)(1)</i>	Debtor or Trustee	Any time after the petition and until Trustee files end-of-case Notice	Motion is optional
410C13-M1R	Response to Motion to Determine the Status of the Mortgage Claim <i>Rule 3002.1(f)(2)</i>	Claim Holder	Within 28 days after Motion is served	Response must be filed if claim holder disagrees with facts in Motion
410C13-N	Trustee’s End-of Case Notice of Disbursements Made <i>Rule 3002.1(g)(1)</i>	Trustee	Within 45 days after debtor completes all payments due to trustee under the plan	Trustee MUST file Notice
410C13-NR	Response to Trustee’s End of Case Notice <i>Rule 3002.1(g)(3)</i>	Claim Holder	Within 28 days after Notice is served	Claim holder MUST file Response
410C13-M2	Motion to Determine Final Cure and Payment <i>Rule 3002.1(g)(4)(A)</i>	Debtor or Trustee	Within 45 days after Response is served (or if no response, 45 days after Notice)	Motion is optional
410C13-M2R	Response to Motion to Determine Final Cure and Payment <i>Rule 3002.1(g)(4)(B)</i>	Claim Holder	Within 28 days after Motion is served	Response must be filed if claim holder disagrees with facts in Motion

Parties to be served are debtor, debtor’s attorney, trustee, and claim holder.

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Rule 3002.1(a) – Scope of Rule

- The application of the Rule is broader than before. It still applies to a claim:
 - Secured by a security interest
 - In the debtor’s principal residence
 - For which the plan provides for the trustee or debtor to make payments,
- But the words “contractual” and “installment” are deleted so the Rule will now be applicable to:
 - Mortgages modified by the Chapter 13 Plan like a total debt plan;
 - Claims secured by mobile homes being paid through the plan;
 - Possibly reverse mortgages or HOA dues.

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Rule 3002.1(a) – Exceptions

- The Rule still requires the existence of a *security interest* (defined as “lien by agreement” in 11 U.S.C. §101(51)), which would exclude claims of:
 - statutory lien holders
 - judgment lien creditors
- The Rule ceases to apply when the stay is terminated as to the residence, unless the Court orders otherwise.

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3002.1(f)(1) – Motion to Determine Status of Mortgage Claim

- Trustee or debtor may file a Motion to Determine the Status of a Mortgage Claim.
- Motion may be filed at any time -
 - After the chapter 13 petition; and
 - Before the filing of the Trustee's Notice of Disbursements under 3002.1(g).
- Such Motion must be prepared using Official Form 410C13-M1.
- This optional Motion should be used "only when necessary and appropriate for carrying out the plan." (*Committee Note*).

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3002.1(f)(2) – Creditor's Response to Motion to Determine Status

- If the creditor disagrees, it **must** file a Response within 28 days after the Motion is served.
- Creditor must use Official Form 410C13-M1R for its Response and serve the debtor, debtor's attorney, and trustee.
- Creditor must also attach an itemized payment history disclosing certain payments made and due from the petition date to the date of the response.
- The data required in the creditor's Response is consistent in all responses.

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3002.1(f)(3) – Court Determination of Status of Mortgage Claim

- If the creditor's Response asserts a disagreement with the facts in the Motion, the court must, after notice and hearing –
 - determine the status of the claim, and
 - enter an appropriate order.
- If the creditor does not file a Response, or files a Response agreeing with the facts in the Motion, the court may –
 - grant the motion based on the facts in the motion; and
 - enter an appropriate order.

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3002.1(g)(1) and (g)(2) – Trustee's End-of-Case Notice of Disbursements Made

- Within 45 days after debtor completes all payments due to the trustee under the plan, **the trustee must file** Notice of Disbursements Made on Form 410C13-N:
 - Stating the amount the trustee disbursed to the claim holder to cure any default and whether it has been cured;
 - Stating what amount the trustee disbursed to the claim holder for payments that came due during the pendency of the case and whether such payments are current; and
 - Informing the claim holder of its obligation to respond.
- Trustee must attach disbursement ledger or provide web address.
- Trustee serves Notice on claim holder, debtor, and debtor's attorney.
- Notice of Disbursements Made replaces Notice of Final Cure.

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3002.1(g)(3) – Creditor’s Mandatory Response to Trustee’s End-of-Case Notice

- The creditor MUST file a Response to the Trustee’s Notice of Disbursements Made within 28 days after Notice is served.
- The Response must be -
 - prepared using Official Form 410C13-NR;
 - filed as a supplement to the proof of claim; and
 - served on debtor, debtor’s attorney, and trustee.
- The Response is not subject to Rule 3001(f) (prima facie evidence).

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3002.1(g)(3) – “Data Points” in Response

- The Response must reflect these data points:

(b) The claim holder attaches a payoff statement and provides the following information as of the date of this response:

- | | |
|--|----------|
| i. Date last payment was received on the mortgage: | __/__/__ |
| ii. Date next postpetition payment from the debtor is due: | __/__/__ |
| iii. Amount of the next postpetition payment that is due: | \$ ____ |
| iv. Unpaid principal balance of the loan: | \$ ____ |
| v. Additional amounts due for any deferred or accrued interest: | \$ ____ |
| vi. Balance of the escrow account: | \$ ____ |
| vii. Balance of unapplied funds or funds held in a suspense account: | \$ ____ |
| viii. Total amount of fees, charges, expenses, negative escrow amounts, or costs remaining unpaid: | \$ ____ |

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3002.1(g)(3) – Payment History Attachment

- The creditor must attach a payment history if the creditor:
 - Disagrees that the prepetition arrearage has been paid in full;
 - States that the debtor is not current on all postpetition payments; or
 - States that fees, charges, expenses, escrow, and costs are due and owing.
- Payment history requirements:

4. Itemized Payment History. . . . [T]he claim holder attaches an itemized payment history disclosing the following amounts from the date of the bankruptcy filing through the date of this response:

- all prepetition and postpetition payments received;
- the application of all payments received;
- all fees, costs, escrow, and expenses that the claim holder asserts are recoverable against the debtor or the debtor's principal residence; and
- all amounts the claim holder contends remain unpaid.

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3002.1(g)(4)(A) – Motion to Determine Final Cure and Payment

- Trustee or debtor may file a Motion to determine whether the debtor -
 - Has cured all defaults and
 - Has paid all required postpetition amounts.
- Such Motion must be -
 - Prepared using Official Form 410C13-M2.
 - Filed within 45 days after –
 - The creditor's Response to the Trustee's end-of-case Notice; or
 - The Trustee's Notice (if creditor did not file the required Response).

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3002.1(g)(4) – Response; Court Determination.

- 3002.1(g)(4)(B) Creditor's Response to Motion:
 - If the creditor disagrees, it **must** file a Response within 28 days after the Motion to Determine Final Cure and Payment is served.
 - Creditor must use Official Form 410C13-M2R for its Response and serve the debtor, debtor's attorney, and trustee.
- 3002.1(g)(4)(C) Court Determination:
 - After notice and hearing, the court must determine whether debtor has cured defaults and paid all required postpetition amounts.
 - If the creditor does not file a Response, or files a Response agreeing with the facts in the Motion, the court may enter an appropriate order based on the facts in the Motion.

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3002.1(h) - Claim Holder's Failure to Give Notice or Respond (Sanctions)

- If claim holder fails to provide any information required under Rule 3002.1, the court may, after notice and hearing, do one or more of the following:
 - Preclude the claim holder from presenting the omitted information in a contested matter or adversary proceeding (unless failure was justified or harmless);
 - Award attorney fees, expenses, and other appropriate relief;
 - Take any action authorized under the Rule; for example, enter an order determining that the mortgage is current.

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Oh, the humanity! – What we're seeing

- Since December 1, 2025, BPC has received 383 Rule 3002.1 documents across 40 states.
 - Top 5 States:
 - Texas
 - Illinois
 - Georgia
 - Ohio
 - Missouri, California, & Florida
 - Awaiting filings in:
 - Alaska
 - Montana,
 - New Hampshire
 - North Dakota
 - Vermont
 - West Virginia
 - Wyoming
 - DC, Puerto Rico, & U.S. Virgin Islands

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Oh, the humanity! – What we're seeing

Filing breakdown by document type:

- 351 - Trustee's Notice of Disbursements
- 17 - Motion to Determine Final Cure (most filed by Chapter 13 Trustees)
- 15 - Motion to Determine Status

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So far, so good...

- Trustee's Notice of Disbursements (Most Popular)
 - Different Trustees, but consistent form usage
 - Disagrees are being set for hearings

- Creditors are consistently responding
 - Form usage is consistent, information included & attachments vary
 - Payoffs
 - Notices of Postpetition Mortgage Fees, Expenses, and Charges
 - Payment history formats
 - Consistency by Creditor versus Jurisdiction

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So far, so good... (but not in the E.D. Ky.).

Eastern District of Kentucky (non-conduit):

- Trustee has filed 56 Notice of Disbursements through 02/28/2026 (Response deadlines have passed).
- No Response was filed to 15 of those Notices. That's a 26% NONCOMPLIANCE RATE.
- For 10 of those 15 claims, the Trustee made disbursements on the claim, and the Debtor is responsible for direct payment of postpetition mortgages.

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So far, so good... (but not in the E.D. Ky.).

- In about 40% of the Responses filed, the creditor asserted that the Debtor is -
 - Delinquent in postpetition mortgage payments; and/or
 - Still owes fees, charges, expense, negative escrow amounts or costs.
- Those responses trigger the requirement for an itemized payment history.

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So far, so good... (but not in the E.D. Ky.).

- Errors and inconsistencies are common in the Responses that have been filed. For example:
 - “Debtor is not current” – but no payment history is attached.
 - “Debtor is current” – but Response shows substantial sums owed in postpetition fees.
 - “Debtor owes postpetition fees of \$x” – but amount is not supported by PPFN’s or other documentation.
 - “Debtor owes principal amount of \$x” but claim was paid in full through the plan.

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So far, so good... (but not in the E.D. Ky.).

- **SUMMARY** - In the Eastern District of Kentucky:
 - Creditors are failing to respond even though they are required to;
 - Many Responses include erroneous, confusing, inconsistent, and/or unsubstantiated information;
 - In not quite half of the Responses, the claimholder asserts that the Debtor is NOT current on a direct-pay mortgage.

Yet not a single Motion to Determine Final Cure and Payment has been filed.

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REMINDER:

3002.1(h) – A claim holder’s failure to respond can result in sanctions such as an award of attorney fees or entry of an order determining that the mortgage is current.

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So far, so good...

- Hearings, Courts, and Orders (oh my!)
 - Disagree responses are being set for hearing
 - Approximately thirty days after the response is filed
 - Agree responses are producing orders too
 - No form orders proposed
 - Some orders lack specificity (what does “current” mean?)
- Local Rules & Local Forms
 - Not many jurisdictions have published specific local rules or forms
 - Some jurisdictions are inconsistent with the response times in 3002.1.

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(Sample Orders)

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Thank you!

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