

Application to Incur Guidelines for
Western District of Louisiana (Shreveport Division)
Daryl J. Smith, Chapter 13 Trustee

I. Procedure

- Application is accepted on approved forms only.
- Application with supporting documentation must be submitted to your paralegal or attorney either in person or by email. An in-office or telephone appointment will typically be necessary in order to review the submitted documents and application prior to submission to the Chapter 13 Trustee or the Court
- If Application is approved, within 30 days file amended Schedules I and J and 60 days of recent pay advice (reflecting the proposed car payment or loan payment) on PACER.
- If Application is approved, the approval is valid for 45 days from the date of the Notice of Approval. If debt is not incurred within the 45 days of the notice, submission of a new Application to Incur will be required as well as completion of the “Unknown Declaration Pursuant to 28 U.S.C. § 1746”, no debt has been incurred to purchase vehicle.

II. Trustee Review Criteria

- Vehicle Interest Rate: not to exceed 18% (new) or 24% (used).
- No GAP insurance contract or charges.
- No extended service contract/extended warranty contract.
- Vehicle must be reasonable and necessary.
- Vehicle payment must not exceed \$575.00 a month.
- Vehicle loan term: not to exceed 72 months (new) or 60 months (used).
- The Debtor(s) plan payments must be current.
- If down payment contemplated/required, application must disclose source of down payment and amount.
- If Student Loan request, application must state the degree or certification sought, the length of time to complete the degree, and the benefit to the debtor of obtaining the degree.
- If Student Loan request, application must contain all loan documentation.

III. Limits to Trustee review:

If Application includes the following relief, Trustee is unable to approve these requests and a denial of the request will be entered to allow the debtor to file a Motion to obtain the requested relief:

- Substitution of Collateral.
- Surrender of Collateral.
- Sale and/or Trade-in of old vehicle.
- Use or authorization of insurance proceeds for purchase of vehicle.
- Ratification of sale already completed.
- Loan application for new home purchase.

Application to Incur Debt for Vehicles

The application with the supporting documents requested in the application shall be submitted to your paralegal or attorney at Simon Fitzgerald, LLC for their review. An in-office or telephone appointment will typically be necessary in order to review the submitted documents and application prior to submission to the Chapter 13 Trustee or the Court. The supporting documents and loan criteria shown in the application form should be reviewed carefully. Applications which lack the required supporting documentation or which are contrary to the loan criteria shown in the application may be denied.

Date: _____

Case Number: _____

Debtor 1: _____

Debtor 2: _____

Reason to Incur Debt:

Purchase New Vehicle

Purchase Used Vehicle

Have you made any previous loan requests while in bankruptcy? Yes____ or No____ If Yes, provide the date, amount, was the debt granted or denied, and payment status:

Terms of Financing: Loan Amount: not to exceed \$25,000.00

Monthly Payment: not to exceed \$575.00

Term of Loan: not to exceed 72 months (new) or 60 months (used)

Interest Rate: not to exceed 18% (new) or 24% (used)

Down Payment: _____

If down payment is necessary, what is the source of the down payment: _____.

Will the monthly payment of this new loan be made in addition to, or in replace of some other payment that you currently pay directly or in your Chapter 13 Plan? _____

Before this application can be reviewed you must submit the following:

- Provide 60 days of pay records in order to prepare an amended Schedules I and J
- Any loan documents, purchase agreement, or financing information with your application
- This application must be complete and signed by both Debtors, if applicable
- An in-office or telephone appointment will typically be necessary in order to review the submitted documents and application prior to submission to the Chapter 13 Trustee or the Court. The supporting documents and loan criteria shown in the application form should be reviewed carefully. Applications which lack the required supporting documentation or which are contrary to the loan criteria shown in the application may be denied.
- Your request must be within the guidelines provided to be considered.

Signature of Debtor 1: _____ Date: _____

Signature of Debtor 2: _____ Date: _____

When applying for a loan, please review the Trustee's criteria for approval:

IF APPLYING FOR VEHICLE LOAN REQUEST:

- Vehicle must be reasonable and necessary.
- Vehicle must be 10 years or newer.
- Purchase price of vehicle must be \$25,000.00 or less.
- Monthly payment must not exceed \$575.00.
- Interest rate for new vehicle must be 18% or less and for a used vehicle must be 24% or less.
- Loan term for a new vehicle must be 72 months or less and for a used vehicle must be 60 months or less.
- Vehicle must have no more than an average of 18,000 miles per year of vehicle.
- No GAP insurance contract or charges.
- No extended service contract/extended warranty contract.
- If down payment contemplated/required, application must disclose source of down payment and amount.
- Debtor's plan payments must be current.

Supplement to Buyer's Order
Terms of Financing - Vehicle

Debtor Name: _____

Case #: _____

Name of Dealership: _____

**Name and Address
of Proposed Lender:** _____

**Phone Number
of Proposed Lender:** _____

**Fax Number
of Proposed Lender:** _____

Down Payment: \$ _____

Amount Financed: \$ _____
(Maximum: \$25,000.00)

Interest Rate: _____%
(Maximum: 18% new; 24% used)

Monthly Payment: \$ _____
(Maximum: \$575.00)

Term of Loan: _____
(Maximum: 72 Months - new, 60 Months - used)

***Note: Vehicle must not be more than 10 years old and have no more than 18,000 miles per year. No GAP insurance, exended service contracts or extended warranty contracts.**

(Signature of Dealer)

UNSWORN DECLARATION PURSUANT TO 28 U.S.C. § 1746

IN RE:

CASE NO.

On _____, I received authority from the Chapter 13 Trustee to incur debt to purchase a vehicle within 45 days of the authorization.

I verify that debt has not been incurred to purchase a vehicle since the date I was granted authority by the Trustee to purchase a vehicle.

I state under penalty of perjury that the foregoing is true and correct.

Executed on: _____

Debtor Name: