

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE:)
)
Application of Plan Payments) Administrative Order No. 2024-01
In Chapter 13 Cases)
)

APPLICATION OF PLAN PAYMENTS IN CHAPTER 13 CASES

While the chapter 13 case is pending. Prior to confirmation, the chapter 13 trustee is directed to pay any filing fees being paid through the plan and adequate protection payments on secured claims, in that priority. After confirmation, the chapter 13 trustee is directed to pay in this order of priority:

1. Debtor's attorney's fees being paid through the plan -- one-third payable upon confirmation and the remainder by a fixed monthly payment over the shorter of thirty months or the remaining plan term.
2. Prepetition domestic support obligations ("DSO") by a fixed monthly payment over the term of the plan.
3. Non-DSO priority claims (including administrative expenses) by a fixed monthly payment over the term of the plan.
4. Section 1325 payments on secured claims as provided by the plan.
5. Pro-rata secured claims (*e.g.*, mortgage arrearages) paid over the term of the plan.
6. Unsecured claims.

If the proceeds from a previously unliquidated claim which was not included in the § 1325(a)(4) "best interest of creditors test" at confirmation (for example, a tort claim, life insurance proceeds, inheritance, or surplus automobile insurance proceeds) are delivered to the trustee for application to the case, the trustee is directed to apply those funds in the priority listed above with the fixed payments released, that is, to pay one category in full before applying funds to the next category.

Upon dismissal or conversion. Pursuant to Bankruptcy Code §§ 349(b)(3) and 1326(a)(2), if a chapter 13 case is either converted to another chapter or dismissed prior to completion of plan payments, the chapter 13 trustee is directed to refund to debtor(s) all funds on hand after payment of the following administrative expenses in this priority:

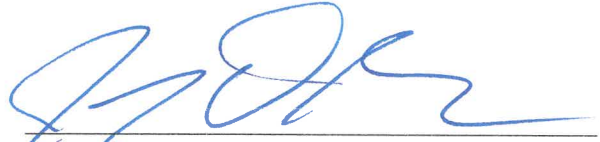
1. Chapter 13 trustee's commission.
2. Any unpaid filing fees.

3. Attorney's fees to counsel for debtor(s) due at that point as set by separate administrative order (taking into account any amounts paid prepetition).

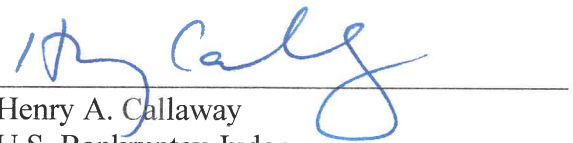
The refund to debtor(s) shall be made by check payable to debtor(s) and mailed to their current address, regardless of any power of attorney or any other contractual arrangement.

This order supersedes Administrative Orders No. 2022-7 and 2022-09, which are hereby rescinded.

Dated: 3/8/24



Jerry C. Oldshue
Chief U.S. Bankruptcy Judge



Henry A. Callaway
U.S. Bankruptcy Judge