

DOCKET NUMBER: 95-11070

ADV. NUMBER:

JUDGE: M. A. Mahoney

PARTIES: Trina Thompson Seaman, AmSouth Bank, N.A.

CHAPTER: 7

ATTORNEYS:

DATE: 8/16/95

KEY WORDS:

PUBLISHED:

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF ALABAMA

In Re

TRINA THOMPSON SEAMAN a.k.a.  
TRINA T. SEAMAN,

Case No. 95-11070

Debtor.

**ORDER CONDITIONALLY DENYING AMENDED MOTION  
OF AMSOUTH BANK, N.A. FOR RELIEF FROM STAY**

This matter came before the Court on the amended motion of AmSouth Bank, N.A. (the “Bank”) for relief from stay. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Order of Reference of the District Court. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(G). For the reasons indicated below, the motion is conditionally denied.

The Trustee answered the Bank’s motion; Debtor did not. The Trustee and the Bank agreed that the motion should be conditionally denied for six months so the Trustee could attempt to market the real estate involved and realize some equity for the estate. However, the Trustee and Bank disagreed as to whether the cross collateralization clause contained in the two mortgages at issue was effective. The language states:

“ . . . to secure payment of the debt . . . and all interest payable on all of said debt . . . and, if the Real Property is not a consumer’s principal dwelling within the meaning of the Truth in Lending Act, 15 U.S.C. Section 1601 et seq, to secure all other indebtedness, obligations and liabilities owing by the maker of the note . . . to the Mortgagee, whether now existing or hereafter incurred or arising . . . ”

Both mortgages state on their face that the property mortgaged does not constitute the primary residence of the Debtor. There was no evidence to the contrary.

Since the mortgaged properties are not homestead property, federal consumer credit provisions do not apply to them. 15 U.S.C. § 1603(1). Alabama law provides that cross-collateralization provisions are enforceable according to their terms. *Branum v. Azalea City Federal Credit Union (In re Branum)*, Adv. No. 95-1006, Case No. 94-12491, slip opinion, April 25, 1995 (attached). Therefore, the real property serves as collateral for all of Debtor's debts to AmSouth Bank. This applies even to the deficiency owed on the vehicle installment loan of Debtor which was a consumer loan. Federal law governs necessary disclosures as to consumer loan collateral serving as collateral for other loans; however, federal requirements are not incorporated into nonconsumer loans by virtue of their cross-collateral provisions.

Therefore, it is ORDERED that the amended motion of AmSouth Bank, N.A. for relief from stay is conditionally denied. The Trustee, Barry A. Friedman, is allowed to market the real property for six months from the date of this order. Any proceeds are to be held until further order of the Court. If he cannot sell the property within that time period, the stay is lifted automatically without further order of the Court.

Dated: August 16, 1995

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MARGARET A. MAHONEY  
U.S. BANKRUPTCY JUDGE