

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

IN RE:)
)
STACEY BOYD,) Case No. 19-20227
)
Debtor.)

ORDER SUSTAINING OBJECTION TO CLAIM

This case came before the court on the debtor’s objection (doc. 25) to claim no. 4 filed by creditor Jefferson Financial Federal Credit Union. The creditor filed the claim as secured on a mobile home based on a cross-collateralization clause in the loan at issue, but the debtor argues that the claim should be unsecured because she did not pledge the mobile home as security on the loan. For the reasons discussed below, the court sustains the debtor’s objection.

The loan documents attached to claim no. 4 state in pertinent part: “Property securing other loans you have with us also secures this loan, unless the property is a dwelling. A dwelling secures this loan only if it is described in the ‘Security’ section of the Truth in Lending Disclosure for this loan.” The debtor pledged her mobile home as collateral for another loan with the creditor (*see* claim no. 5) but the creditor did not list or describe the mobile home in the security section of the Truth in Lending Disclosure for the loan related to claim no. 4. The court thus must determine whether the debtor’s mobile home is a “dwelling” within the meaning of the loan documents attached to claim no. 4.

Because the loan documents are drafted in accordance with the Truth in Lending Act (TILA), 15 U.S.C. § 1601, *et seq.*, the court looks to TILA to define the term “dwelling.” TILA defines “dwelling” to include mobile homes. *See* 15 U.S.C. § 1602(w). Federal regulations promulgated under TILA further define the term to include a mobile home “if it is used as a

residence.” See 12 C.F.R. § 226.2(a)(19); see also generally *In re Streeter*, No. 5:02-BK-15923 E, 2002 WL 32114477 (Bankr. E.D. Ark. Oct. 28, 2002).

The debtor claimed a homestead exemption on the mobile home in her sworn schedules and also testified at the hearing on the objection that the mobile home was her primary residence. The court thus finds that the mobile home is a dwelling that had to be listed in the security section of the Truth in Lending Disclosure to serve as security for the cross-collateralized loan. See generally *In re Streeter*, 2002 WL 32114477. Because the mobile home was not listed in that section, the loan is not secured by the mobile home. The court therefore sustains the debtor’s objection to claim no. 4, which is allowed in full but reclassified as unsecured.

Dated: November 12, 2019


HENRY A. CALLAWAY
CHIEF U.S. BANKRUPTCY JUDGE