


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

IN RE:)
)
Graham Cotten Harbison,) Case No. 22-12499
)
Debtor.)

ORDER DENYING MOTION TO VALUE COLLATERAL (DOC. 17)

The court denies without prejudice the debtor’s motion to value a vehicle that the creditor repossessed prepetition. Bankruptcy Code § 506 allows this court to value “[a]n allowed claim of a creditor secured by a lien on property in which the estate has an interest” While § 506 “governs the *treatment* of secured claims[,] the *existence* of a secured claim must be ascertained by looking outside the bankruptcy code. The proper location of this inquiry is state law.” See *Schweigert v. Schweigert*, 519 F. Supp. 3d 803, 812 (D. Mont. 2021) (citations omitted). According to binding Eleventh Circuit precedent, under applicable Alabama state law the only “property” in which the estate has an interest is the debtor’s right to redeem the vehicle; the estate does not have an interest in the vehicle itself for the court to value. See *In re Lewis*, 137 F.3d 1280, 1284-85 (11th Cir. 1998).

Dated: January 23, 2023


HENRY A. CALLAWAY
U.S. BANKRUPTCY JUDGE