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### **HR 200 In Algebraic Form**

#### **Variables:**

- C1 Certification that D received N.
- C2 Certification that D attempted to contact lender for loan mod within 15 days.
- C3 Certification that D attempted to contact lender for loan mod (no time required).
- E Effective date of new law.
- F Current FMV of R.
- I Prevailing interest rate on petition date.
- L Loan originating before E, secured by R, subject to N.
- M All debt secured by R up to FMV.
- N Notice that D receives from lender that it may commence foreclosure against R.
- P Premium added to I for "risk"
- R Debtor's principal residence.
- T Total debt secured by R;  $T = M + U$ .
- U All debt secured by R over FMV and also debt formerly secured by R (due to TS or surrender).
- X Proceeds paid to lender if property sold within 4 years of loan modification.
- Y Maximum years of modified loan  $\leq (40 \text{ years} - \# \text{ years paid on existing loan})$ .

#### **Proposed Changes to Code:**

109 Debt NOT include T, if  $F < \$1,010,000$  (plus CPI adjustments)

109 If C1, then no required CBC

502 If T subject to TILA then not an allowed claim

1322 Where petition not yet filed:

If D provides C2 (or, if TS date within 60 days of petition date) and T is ARM loan, then Court may prohibit, reduce or delay adjustment of interest rate; OR modify T under 506(a)(1) into M and U, then modify M over Y at I + P

Where case pending:

If D provides C3 before filing Plan or Plan Modification Motion, then Court may prohibit, reduce or delay adjustment of interest rate; OR modify T under 506(a)(1) into M and U, then modify M over Y at I + P

BUT, if Debtor sells R, then lender gets  $X = \text{the lesser of the allowed unmodified claim, and } [100\% - (20\% * \# \text{ years since loan modification})] * [\text{Sale Price} - (M + \text{COS} + \text{Improvements})]$