**Student Loan Modification Management (SLMM) Program Procedures**

United States Bankruptcy Court, \_\_\_\_\_\_\_\_\_\_\_ District of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Purpose**. These procedures and forms implement the Student Loan Modification Management Program (“SLMM” or “SLMM Program”). The SLMM is designed to function as a forum for debtors and creditors to reach a consensual resolution on any federal student loans the debtor may have for which debtor wishes to amend the terms of repayment. The goal of the SLMM is to permit and facilitate communication and exchange of information in a confidential setting and encourage the parties to finalize a feasible and beneficial agreement under the supervision of the United States Bankruptcy Court for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ District of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. **Definitions**. The following definitions shall be applicable to the SLMM and the procedures described herein:
	1. Creditor: means any holder, servicer, guarantor, governmental unit or trustee of an Eligible Loan.
	2. Debtor: means any individual debtor in a case filed under Chapter 7, 11, 12 or 13 of the Bankruptcy Code, including joint debtors. Where a debtor is represented by an attorney, the term “Debtor” may mean the debtor’s attorney on behalf of the Debtor individually unless the context requires otherwise.
	3. Document Preparation Software: means a secure online program that facilitates the preparation of the Initial SLMM Package by populating the Standard SLMM Documents and generating a customized checklist of required supporting documents that a Debtor needs to initiate a review with the Creditor. The use of the Document Preparation Software ensures that the initial submission to Creditor is complete and accurate and should expedite Creditor’s review. By requiring its use by the Debtor prior to the filing of the Motion for SLMM, the Debtor will signify to the Court and the Creditor that the Debtor is prepared to engage in the SLMM in good faith and provide the necessary information to the Creditor.
	4. Eligible Loan: means any educational benefit overpayment or loan made, insured or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit on which Debtor is an obligor.
	5. Final Report: means the report to be filed at the conclusion of the SLMM per Section 8(c).
	6. Initial SLMM Package: means collectively the Standard SLMM Documents and supporting documentation that the Creditor requires to initiate the assessment of a Debtor’s Student Loan Repayment Options.
	7. SLMM Period: means the time during which the SLMM is in effect prior to its expiration or termination by Court order as more particularly provided in Section 8(a).
	8. Portal: means a secure online service that allows SLMM documents and communications to be submitted, retrieved and tracked between the Required Parties. The Portal must be capable of providing access to the Court and trustees. Submitting documents to the Portal provides transparency in the SLMM by making information immediately available to all parties through a secure internet website. To ensure that all Required Parties may obtain access to the Portal in a timely manner, registration on the Portal by any Required Party (including, without limitation, registration by the Creditor as provided in Section 7(b)(i)) must be capable of being completed in three (3) business days. A list of approved Portals shall be maintained on the Court’s website.
	9. Required Parties: means (when applicable) Debtor, Debtor’s attorney, Creditor, Creditor’s [state] legal counsel, any co-obligor, co-borrower and third-party obligor.
	10. Standard SLMM Documents: collectively, the industry standard forms that are generally required by Creditors to initiate a review of a Debtor’s Student Loan Repayment Options with respect to any Eligible Loan(s) which may include the following (as applicable):
		1. Federal Direct Consolidation Loan Application and Promissory Note; and
		2. Income Driven Repayment Plan Request.
	11. Student Loan Repayment Options: means the full range of solutions available to Debtor with respect to any Eligible Loan including, but not limited to, rehabilitation, consolidation, or any income-driven repayment plan.
3. **Eligibility**. Any Debtor who currently has a case pending under any chapter is eligible to participate in the SLMM Program with respect to any Eligible Loan. Individuals who seek to modify any student loan under the SLMM must have paid their bankruptcy filing fee in full prior to filing a motion to participate in SLMM. In addition, Debtor must set aside the applicable Document Preparation Software fee ($40.00) and the applicable SLMM Portal submission fee ($40.00).
4. **Additional Parties**.
	1. Co-debtors, Creditors, and Third-parties. Where the participation of a co-debtor, additional creditors or other third party may be necessary or desirable, any party may request, or the Court may direct, that such party participate in loss mitigation, to the extent that the Court has jurisdiction over the party.
	2. Trustee. The Trustee may participate in the SLMM to the extent such participation would be consistent with the Trustee’s duties under the Bankruptcy Code.
5. **Commencement of SLMM**. The Debtor, Creditor or the Court may seek referral to the SLMM Program at any time after the commencement of the bankruptcy case.
	1. By Debtor.
		1. *Confirm Eligibility*. Prior to filing a Motion for SLMM (substantially in the form of Form \_\_\_\_), Debtor shall confirm that Debtor has at least one (1) Eligible Loan and can make the certifications required on the Certification of SLMM Eligibility and Readiness (substantially in the form of Form \_\_\_\_\_).
		2. *Complete Document Preparation Software*. Prior to filing a Motion for SLMM, Debtor shall complete the Document Preparation Software and pay the non-refundable fee directly to the Document Preparation Software approved vendor. Debtor’s Initial SLMM Package shall be completed and ready for signature and submission before filing a Motion for SLMM.
		3. *SLMM Motion*. Upon completion of the Debtor’s Initial SLMM Package, Debtor may request the commencement of the SLMM by filing a Motion for SLMM. The Motion for SLMM shall be served on the Creditor. A Certification of SLMM Eligibility and Readiness (substantially in the form of Form \_\_\_\_\_) and a proposed SLMM Order (substantially in the form of Form \_\_\_\_\_) shall be attached to any Motion for SLMM. A Certification of Document Preparation received from the Document Preparation Software upon completion thereof shall also be attached to any Motion of SLMM. Service shall be made pursuant to Bankruptcy Rule 7004 and shall include the U.S. Attorney for the District and the U.S. Attorney General.
	2. By Creditor. Any creditor seeking to commence the SLMM must file with the Court and serve on the Debtor (and Debtor’s counsel, if any) a Motion for SLMM (substantially in the form of Form \_\_\_\_\_) together with a proposed Order (substantially in the form of Form \_\_\_\_\_).
	3. By the Bankruptcy Court. The Court may order the assignment of an Eligible Loan to the SLMM upon the Court's own motion.
6. **Opportunity to Object**. The deadline for filing an objection to a Motion for SLMM is fourteen (14) days from the service of the Motion for SLMM. Objections shall identify with specificity the grounds for the objection. If no objection is filed, the Court may enter a SLMM Order without further notice or hearing.
7. **SLMM Participation and Duties**.
	1. General. Upon entry of the SLMM Order, the moving party shall serve a copy of the SLMM Order on the Required Parties and file a certificate of service indicating the parties that were served with the SLMM Order. Upon the entry of the SLMM Order, the following shall apply:
		1. *Good Faith Requirement*. The Required Parties shall act in good faith throughout the entirety of the SLMM Period, including but not limited to, promptly responding to all inquiries through the Portal and providing all requested documentation and information. A party failing to participate in good faith may be subject to sanctions and/or dismissal of the SLMM after notice and a hearing.
		2. *Deadlines*. The Required Parties shall comply with all deadlines set forth in the SLMM Order; provided any deadlines may be extended by court order or by stipulation of the parties.
		3. *Trustee*. The Trustee may participate in the SLMM to the extent that such participation would be consistent with the Trustee’s duties under the Bankruptcy Code.
		4. *Communication through Portal*. During the SLMM Period, unless otherwise permitted by the Court, all material communications between the Required Parties shall be conducted exclusively through the Portal; provided, however, any litigated matters incidental to the SLMM shall be considered as separate matters not subject to the Portal requirement. (For example, a motion to compel discovery must be filed in the main bankruptcy case, not through the Portal).
		5. *Authorized Parties*. On behalf of each participating party, a person with knowledge of the file shall operate the Portal to facilitate the processing of the SLMM.
		6. *Automatic Stay*. The automatic stay as provided for under 11 U.S.C. § 362(a) shall be modified to the extent necessary to facilitate the SLMM Program. If the Debtor fails to comply with the Debtor’s SLMM duties or the SLMM Order, the Creditor may apply to terminate the SLMM.
		7. *Required Bankruptcy Plan Language*. The following language shall be included in the Debtor’s bankruptcy plan:
			1. The Debtor is not seeking nor does this Plan provide for any discharge, in whole or in part, of the student loan obligations.
			2. The Debtor shall be allowed to seek enrollment in any applicable income-driven repayment (“IDR”) plan with the U. S. Department of Education and/or other student loan servicers, guarantors, etc. (collectively referred to hereafter as “Ed”), without disqualification due to the bankruptcy.
			3. Ed shall not be required to allow enrollment in any IDR unless the Debtor otherwise qualifies for such plan.
			4. The Debtor may, if necessary and desired, seek a consolidation of any student loans as part of the SLMM.
			5. Upon determination by Ed of the qualification for enrollment in an IDR and calculation of any payment required under such by the Debtor, the Debtor shall, within 30 days, notify the Chapter 13 Trustee of the amount of such payment. At such time, the Trustee or the Debtor may, if necessary, file a Motion to Modify the Chapter 13 Plan to allow such direct payment of the student loan(s) and adjust the payment to other general unsecured claims as necessary to avoid any unfair discrimination.
			6. The Debtor shall re-enroll in the applicable IDR annually or as otherwise required and shall, within 30 days following a determination of the updated payment, notify the Chapter 13 Trustee of such payment. At such time, the Trustee or the Debtor may, if necessary, file a Motion to Modify the Chapter 13 plan to allow such direct payment of the student loan(s) and adjust the payment to other general unsecured claims as necessary to avoid any unfair discrimination.
			7. During the pendency of the SLMM, it shall not be a violation of the stay or other State or Federal Laws for Ed to send the Debtor normal monthly statements regarding payments due and any other communications including, without limitation, notices of late payments or delinquency. These communications may expressly include telephone calls and e-mails.
			8. In the event of any direct payments that are more than 30 days delinquent, the Debtor shall notify their attorney, who will in turn notify the Chapter 13 Trustee, and such parties will take appropriate action to rectify the delinquency.
		8. *No Delay*. The referral of a case to the SLMM Program does not relieve the parties from complying with any other court orders or applicable provisions of the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, General Orders or the Local Bankruptcy Rules. Notwithstanding a matter being referred to the SLMM Program, the bankruptcy case shall not be stayed or delayed without further order of the Court.
		9. *Closing*. If Debtor’s bankruptcy case is otherwise in a posture for administrative closing, the case shall remain open during the pendency of the SLMM Program, unless otherwise ordered by the Court.
		10. *Confidential Communications*. All communications and information exchanged during the SLMM Program shall be privileged and confidential and shall be inadmissible in any subsequent proceeding as provided for by Federal Rule of Evidence 408, except in such circumstances when a party fails to participate in good faith in the SLMM.
	2. Creditor Duties Upon Commencement of SLMM.
		1. *Registration on Portal*. Within ten (10) days after entry of the SLMM Order, Creditor and Creditor’s [state] counsel (if any) shall register on the Portal (if not already registered). Registration on the Portal is a one-time event, and once Creditor and Creditor’s [state] counsel (if any) are registered on the Portal, they will not have to re-register for each subsequent matter.
		2. *Acknowledge Receipt of Initial SLMM Package*. Within seven (7) days after Debtor submits Debtor’s completed Initial SLMM Package to Creditor on the Portal, Creditor shall on the Portal: (i) acknowledge receipt of Debtor’s completed Initial SLMM Package; and (ii) designate its single point of contact and outside legal counsel (if any). The designated single point of contact and outside legal counsel (if any) shall have all requisite authority (within the applicable guidelines) to settle any and all issues that may arise during the SLMM Period.
		3. *Process Debtor’s Application*. Upon receipt of Debtor’s Initial SLMM Package, Creditor shall promptly review Debtor’s Initial SLMM Package to determine Debtor’s eligibility for any Student Loan Repayment Options which may be available to Debtor. In the event that Creditor shall require additional (or corrected) documentation, Creditor shall promptly notify Debtor through the Portal of such requirements and promptly respond to Debtor’s submissions thereof as well as any inquiries made by the Debtor.
	3. Debtor Duties Upon Commencement of SLMM.
		1. *Submit Initial SLMM Package*. Within seven (7) days after entry of a SLMM Order or Creditor’s registration on the SLMM Portal, whichever occurs later, Debtor shall upload to the Portal: (i) Debtor’s Initial SLMM Package and (ii) a copy of the SLMM Order. Debtor shall also pay the Portal submission fee ($40.00) directly to the Portal vendor at the conclusion of Debtor’s submission of Debtor’s Initial SLMM Package.
		2. *Document Submissions*. Upon the request of Creditor through the Portal, Debtor shall promptly provide any additional documents requested by Creditor and/or answer any questions.
		3. *Final Report*. Complete the Final Report as more particularly provided in Section 8(c).
8. **SLMM Process**.
	1. Duration.
		1. *Initial Duration*. The SLMM Period initially shall be one hundred twenty (120) days from the date of the SLMM Order unless otherwise specified in the SLMM Order.
		2. *Extension*. A request to extend the SLMM Period shall be made by way of a Motion to Extend the SLMM Period (substantially in the form of Form \_\_\_\_\_). A proposed order (substantially in the form of Form \_\_\_\_\_) and a complete and current printout of the account history from the Portal shall be attached to the Motion. A request to extend the SLMM shall be served on all Required Parties. The deadline for objecting to a request to extend the SLMM is seven (7) business days from the service of the motion. Where a timely objection is filed, the Court may schedule a hearing to determine whether granting the relief requested is appropriate under the circumstances.
		3. *Early Termination*. A request to terminate the SLMM Period prior to its expiration shall be made by way of a Motion to Terminate the SLMM (substantially in the form of Form \_\_\_\_\_). A proposed order (substantially in the form of Form \_\_\_\_) and a complete and current printout of the account history from the Portal shall be attached to the Motion. A request to terminate the SLMM shall be served on all Required Parties. The deadline for objecting to a request to terminate the SLMM is seven (7) business days from the service of the motion. Where a timely objection is filed, the Court may schedule a hearing to determine whether granting the relief requested is appropriate under the circumstances.
	2. Intentionally Omitted.
	3. SLMM Final Report. Within seven (7) days after the earlier of (a) the date on which Creditor and Debtor agree upon a Student Loan Repayment Option and (b) the conclusion of the SLMM Period, the Debtor, on notice to the Creditor, shall file and serve an SLMM Final Report with an attached printout of the current and complete account history from the Portal. The SLMM Final Report shall be completed in accordance with the instructions provided in the Portal.
	4. Debtor Payments. In Chapter 13 cases, any Debtor participating in the SLMM Program shall be required to pay payments due to Creditor through the Chapter 13 Trustee including, but not limited to, any agreed upon repayments.
	5. Notice of Final Plan Payment. In Chapter 13 cases, within 30 days after the Debtor completes all payments under the plan, the Chapter 13 Trustee shall file and serve on the Required Parties a notice stating that the Debtor has paid in full the amount required to cure any default on the claim and has paid all payments due to Creditor during the Chapter 13 plan. The notice shall also inform the Creditors of its obligation to file and serve a response under subdivision (f). If the Debtor contends that final cure payment has been made and all plan payments have been completed, and the Trustee does not timely file and serve the notice required by this subdivision, the Debtor may file and serve the notice.
	6. Response to Notice of Final Cure Payment. In Chapter 13 cases, within 21 days after service of the notice under subdivision (e), the Creditor shall file and serve on the Debtor, debtor’s counsel, and the Trustee a statement indicating (1) whether it agrees that the Debtor has paid in full the amount required to cure the default on the claim, (2) whether the Debtor has otherwise made all payments due during consistent with § 1322(b)(5) of the Code, and (3) whether payments made during the plan were applied towards any period of forgiveness or cancellation of the Eligible Loan. The statement shall itemize the required cure or postpetition amounts, if any, that the Creditor contends remain unpaid as of the date of the statement. The statement shall be filed as a supplement to the holder’s proof of claim and is not subject to Rule 3001(f).
9. **SLMM Resolution**.
	1. Final Student Loan Repayment Plan Agreement. If parties agree to a repayment plan, the Debtor shall file a Motion to Authorize the Student Loan Modification (substantially in the form of Form \_\_\_\_\_), which shall be served immediately on any applicable trustee and all creditors. A copy of the student loan repayment plan shall accompany the motion. In a Chapter 13 case, the proposed order shall include the following provisions, where applicable:
		1. If the loan modification approved by the Court impacts the provisions of the Debtor’s Chapter 13 plan, a modified plan shall be filed within fourteen (14) days of the entry of the order approving the loan modification.
		2. If the loan modification approved by the Court results in a material change in the Debtor’s expenses, the Debtor shall file an amendment to the impacted schedules reflecting income and expenses (Schedules I and J) within fourteen (14) days of the entry of the order approving the loan modification.
	2. Additional Terms.
		1. *No Dismissal or Conversion*. Dismissal or conversion to another chapter of the bankruptcy case shall not be made a requirement of an agreement reached through the SLMM.
		2. *Consent*. Consent to the resolution shall be acknowledged in writing by an authorized representative of the Creditor, the Debtor, and the Debtor’s attorney, if applicable.
10. **SLMM Fees**.
	1. Compensation for Debtor’s Counsel. Counsel for the debtor is entitled to receive reasonable compensation for all work involved in connection with the SLMM process and shall file an application for allowance of attorney fees and costs with the Court, or alternatively accept a “no look” fee in a reasonable amount not to exceed $1,500 to be paid as an administrative expense. These fees and costs are in addition to those fees and costs incurred in the representation of Debtor in the bankruptcy case. The $1,500 fee shall include:
* Filing of the Motion and Order;
* Preparation of the Initial SLMM Package
* Preparation of any additional forms which may be required throughout the SLMM
* Submission of all documentation through the Portal
* Filing of other required pleadings and preparation of proposed orders and settlement papers, as applicable;
* Communicating with Creditor, including communications through the Portal; and
* Review of all student loan documents.
	1. Creditor Fees. If a proposed SLMM resolution provides for a Creditor to receive payment or reimbursement of any fee, cost or charge that arose from the SLMM process, all such fees, costs and charges shall be disclosed to the Debtor prior to approval of the resolution. Counsel for the Creditor may be entitled to receive a reasonable fee for all work involved with the SLMM and shall clearly delineate such fee in the SLMM resolution or by amended proof of claim.