

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA

IN RE:

CONDUIT MORTGAGE PAYMENTS IN CHAPTER  
13 CASES

OPERATING ORDER 23-01

To streamline confirmation disputes, ensure compliance with 11 U.S.C. § 1325(a)(6), and assist the debtors of this district with effective repayment through a Chapter 13 plan, the following procedures shall apply in Chapter 13 cases filed on or after June 10, 2023, in all divisions in this district.

- I. **Conduit Plan.** A “Conduit Plan” is defined as a plan filed pursuant to 11 U.S.C. §§ 1321, 1322, 1323, or 1329 and SC LBR 3015-1 or 3015-2 that addresses arrearages and all contractual payments (“Mortgage Payments”) through payments to the Chapter 13 Trustee (“Trustee”).
- II. **Feasibility Factors.** If one or more of the circumstances enumerated below (“Feasibility Factors”) exists on the petition date with respect to Mortgage Payments, arguments exist regarding the feasibility of a proposed plan under 11 U.S.C. § 1325(a)(6), closer monitoring of payments and plan compliance is due, and a Conduit Plan is warranted:
  - a. the Mortgage Payments are three or more months past due;
  - b. within one year of the petition date in the current case:
    - i. any mortgagor was a debtor in a Chapter 13 case that was dismissed; or
    - ii. any mortgagor was a debtor in a prior Chapter 13 case in which a mortgagee obtained relief from the stay pursuant to 11 U.S.C. § 362; or
  - c. a foreclosure action related to the Mortgage Payments was pending in state court on the petition date.
- III. **Requirements When a Feasibility Factor Is Present.** For cases presenting one or more Feasibility Factors in which the debtor proposes a plan that is not a Conduit Plan (“Non-Conduit Plan”), the debtor shall provide to the Trustee at least fourteen (14) days prior to the first confirmation hearing evidence of feasibility of the Non-Conduit Plan substantially in the form of the *Statement in Support of Non-Conduit Plan*, along with, but not limited to, all the information required therein (this document should not be filed with the Court at this time). If the Trustee is satisfied with the evidence provided as to the Non-Conduit Plan’s feasibility, the Trustee may elect to recommend confirmation if other conditions for confirmation are met pursuant to SC LBR 3015-3.
- IV. **Contested Confirmation Hearings.** Absent the Trustee receiving timely, satisfactory evidence of feasibility of the debtor(s)’ Non-Conduit Plan, the Trustee may object to confirmation of the Non-Conduit Plan. If an objection is filed, not less than five (5) business days prior to the confirmation hearing, the debtor shall file with the Court the *Statement in Support of Non-Conduit Plan* previously provided to the Trustee, indicating that a contested confirmation hearing will be held.

Nothing herein shall be interpreted to limit the ability of the Trustee or any other party to object to confirmation of a plan on any grounds or the filing of a Conduit Plan by the debtor(s) on a voluntary basis to address debts not described herein.

**AND IT IS SO ORDERED** this 28<sup>th</sup> day of April, 2023.

/s/ Helen Elizabeth Burris  
Helen Elizabeth Burris, Chief Judge

/s/ Elisabetta G.M. Gasparini  
Elisabetta G.M. Gasparini, Judge