

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

IN RE:

Kim Sharie Mobley,

Debtor(s).

C/A No. 25-02973-EG

Chapter 7

**ORDER DENYING MOTION TO
REDEEM**

THIS MATTER comes before the Court upon the Motion to Redeem Personal Property Pursuant to 11 U.S.C. § 722 (“Motion to Redeem”) that Kim Sharie Mobley (“Debtor”) filed on August 1, 2025.¹ Debtor seeks to redeem a 2019 Kia Forte LXS, Vehicle Identification Number (VIN): 3KPF24AD2KE058814 (the “Vehicle”) which is subject to a lien held by Citizens Bank N.A. (“Creditor”) and asserts that the fair market value of the Vehicle, considering its age and condition, is \$2,800.00.

Debtor filed for Chapter 7 relief on August 1, 2025, without the assistance of counsel. Debtor’s schedules reflect an interest in the Vehicle with an estimated value of \$2,800.00, and, on Schedule D, Debtor lists Creditor as having a claim of approximately \$5,522.04. The Court scheduled a hearing on the Motion to Redeem for September 11, 2025, and provided notice to Debtor.² Creditor filed a timely objection³ arguing that Debtor used an improper standard to value the car and did not provide sufficient evidence as to the value of the collateral. Creditor attached a J.D. Power report for a 2019 Kia Forte with 87,000 miles to the objection showing the average value for that model vehicle as \$14,548.00. Creditor asserts that the balance owed on the loan as of July 30, 2025, was \$5,520.83.

¹ ECF No. 10.

² ECF No. 13, filed Aug. 3, 2025.

³ ECF No. 21, filed Aug. 22, 2025.

On August 27, 2025, Debtor submitted additional documents⁴ to support her valuation of the Vehicle. More specifically, Debtor filed a “Statement of Fair Market Value for Repossessed Vehicle” indicating that the Vehicle has 157,000 miles and is in average condition, except for “significant” damage sustained in 2024 from a deer collision, which she claims the insurance estimated at \$2,777.93. Debtor attached copies of online valuations from Carvana, CarMax, TrueCar, and Kelley Blue Book, reflecting values of \$2,000, \$2,200, \$925, and \$2,844, respectively.

On September 10, 2025, Debtor submitted a further response (“Response”)⁵ asserting that the current mileage of the Vehicle is closer to 163,000—as opposed to the 87,500 miles that Creditor used in its objection—and attached a J.D. Power report reflecting that the average value of the car with that mileage was \$9,609.00. Additionally, she discussed the condition of the vehicle and the current needed repairs. She concluded her response by suggesting a “compromise” to let the car go to auction at which time she intended to bid on it.

Debtor failed to appear at the hearing on September 11, 2025. Creditor’s counsel was present to pursue its objection to the Motion to Redeem.

DISCUSSION AND CONCLUSION

From the outset, the Court notes that if the value of the Vehicle as calculated pursuant to the directives in 11 U.S.C. § 506(a)(2) is determined to be greater than Creditor’s claim, Debtor could redeem it by simply paying off the amount of the outstanding debt which Creditor has estimated to be approximately \$5,520.00. Based on the current record, the Court is unable to determine the value of the Vehicle for redemption purposes.

⁴ ECF No. 23.

⁵ ECF No. 27.

Pursuant to 11 U.S.C. § 722, an individual debtor may “redeem tangible personal property intended primarily for personal, family, or household use . . . by paying the holder of such lien the amount of the allowed secured claim of such holder that is secured by such lien in full at the time of redemption.” 11 U.S.C. § 722. In Chapter 7 cases, the determination of the value of the property for the purposes of determining the secured portion of a creditor's claim is “based on the replacement value of such property as of the date of the filing of the petition without deduction for costs of sale or marketing.” 11 U.S.C. § 506(a)(2). With respect to property acquired for personal, family, or household purposes, the second sentence of § 506(a)(2) narrowly defines replacement value as “the price a retail merchant would charge for property considering the age and condition of the property at the time value is determined.” *Id.*; see, e.g., *In re Brown*, No. 06-00197, 2006 WL 3692609 (Bankr. D.S.C. Apr. 24, 2006); *In re Maynes*, 598 B.R. 648 (Bankr. D.N.M. 2019); *In re Miles*, 524 B.R. 915 (Bankr. N.D. Ga. 2015).⁶

As the party seeking redemption, debtors carry the burden of proof as to the value of the property by a preponderance of the evidence. *In re Miller*, 394 B.R. 114, 116 (Bankr. D.S.C. 2008); *In re Maynes*, 598 B.R. at 657; see also *In re Ephraim*, 249 B.R. 862 (Bankr. E.D. Mich. 2000); *In re Campbell*, No. 03-06108, 2006 Bankr. LEXIS 4170, *4 (Bankr. S.D. Iowa Oct. 2, 2006). Courts have given weight to Kelley Blue Book or J.D. Power⁷ valuations when properly authenticated and introduced into evidence. See, e.g., *In re Mayland*, No. 06-10283, 2006 WL 1476927 (Bankr. M.D.N.C. May 26, 2006) (using N.A.D.A. to determine value of vehicle for

⁶ Notably, courts have approached valuation of vehicles in several different ways—some have averaged the adjusted retail values presented by the different valuation companies; others have reduced the retail value by a flat percentage to reflect the difference between the dealer's “asking price” and what it would “charge for the vehicle”; while others start with the retail value and then reduced such retail value in varying amounts representing the condition of the vehicle and cost of repair. See *In re Miles*, 524 B.R. at 920; see also *In re Morales*, 387 B.R. 36, 42 (Bankr. C.D. Cal. 2008).

⁷ The Court notes that Circuits use differing approaches when determining the value of a vehicle based upon a submission of Kelley Blue Book or J.D. Power; however, it is not necessary for the Court to address or discuss those approaches at this time.

redemption). *But see In re Maynes*, 598 B.R. at 657; *In re Morales*, 387 B.R. 36, 37 (Bankr. C.D. Cal. 2008).

In this case, Debtor failed to appear at the September 11, 2025 hearing despite having notice. Debtor's absence resulted in a lack of prosecution on the issue of valuation for the purpose of redemption. The Court notes that Debtor's submissions to the Court on August 27, 2025 consisting of a Kelley Blue Book, CarMax, Carvana, and TrueCar valuations, in addition to not being properly introduced into evidence and not being properly authenticated, consist of values which appear to have been based off the Vehicle's trade-in value rather than its replacement value as required under 11 U.S.C. § 506(a)(2). *In re Pottinger*, No. 09-81990C, 2012 WL 3561966 (Bankr. M.D.N.C. Aug. 16, 2012) (denying debtor's motion to redeem and finding that the exhibit relied upon by debtor to determine the amount of the allowed secured claim was the appraisal offer by CarMax that listed the trade-in value of the car—not the replacement value as defined in section 506(a)(2)). Debtor's Response contains new information but fails to assert a definite value to redeem the Vehicle. In the Response, Debtor seems to suggest that based on J.D. Power, the replacement value with the current alleged mileage would be \$9,609.00. When deducting the alleged collision damage of \$2,777.93, it could be argued that the replacement value would be in the ballpark of \$6,831.07—more than the amount of Creditor's claim. The Response, however, also suggests that there is no retail market for the Vehicle given its current damaged condition and appears to imply that the wholesale auction market is the appropriate value in this situation. Lastly, it suggests a compromise of letting the car go to auction,⁸ making it unclear to the Court whether the Debtor would like to continue with her intent to redeem the vehicle pursuant to 11 U.S.C. §

⁸ In the Response, Debtor states:

Debtor requests a practical compromise: If it please the Court, let the vehicle go to auction, notifying Debtor of auction time and place. Debtor needs her vehicle back to get on with her gainful employment, and is highly motivated to bid for the vehicle.

722. Ultimately, Debtor has failed to meet her burden to prove that the amount that she must pay to redeem the Vehicle is below the outstanding balance on the loan. Not only has Debtor failed to prosecute her motion by not appearing at the scheduled hearing, but the documents attached to her statements and pleadings have also not been properly introduced into evidence or authenticated. Debtor's Motion, therefore, must be denied.

ORDERED that the Motion to Redeem is DENIED without prejudice.

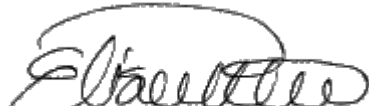
IT IS FURTHER ORDERED that Debtor shall have ten (10) days from the entry of this Order to file another Motion to Redeem with a proper valuation, which the Court may schedule for a hearing on an expedited basis. Alternatively, Debtor may redeem the property by making proper arrangements with Creditor to pay off the outstanding loan in its entirety within ten (10) days from the entry of this Order.

AND IT IS SO ORDERED.

**FILED BY THE COURT
09/15/2025**



Entered: 09/15/2025


Elisabetta G. M. Gasparini
US Bankruptcy Judge
District of South Carolina