

Important Notice to the Bar and Public Regarding the Court's entry of Three General Orders Addressing Mortgage Related Issues

Please be advised that during the week of May 18, 2009, the Board of Judges for the Bankruptcy Court for the District of New Jersey entered three important General Orders regarding Mortgage related Issues:

1. General Order Clarifying that Participation In the New Jersey Judiciary Foreclosure Mediation Program Does Not Violate the Automatic Stay (Dated: 5/19).

Per the terms of this General Order, participation by debtors and mortgagees in The New Jersey Judiciary Foreclosure Mediation Program does not violate the automatic stay of actions or proceedings against the debtor under 11 U.S.C. § 362(a). The parties are not required to obtain relief from the automatic stay in order to participate in the Foreclosure Mediation Program.

It is important to note that Debtors who choose to participate under the terms of this General Order must meet all of the qualifications for the Program.

To qualify for the free mediation program:

- The applicant must be the owner-occupant of a 1-3 family residential property;
- The property must be his/her primary residence;
- The applicant must be the borrower and the lender must be foreclosing on its mortgage loan.

2. General Order Regarding Negotiations Between Debtors and Mortgage Servicer(s) to Consider Loan Modification (Dated: 5/20/09)

Pursuant to the terms of this General Order, communications and/or negotiations between debtors and mortgagees/mortgage servicers about loan modification are not deemed to be a violation of the automatic stay. The General Order further provides that loan modification agreements must be presented by motion to the Court for approval prior to consummation. If a loan modification approved by the Court impacts on the provisions of a Chapter 13 plan, a modified plan must be filed.

**3. General Order Adopting Supplemental Chapter 13 Plan Provisions Requiring:
(1) Supporting Information Concerning Proof of Claim;
(2) Disclosure and Adjudication of Postpetition Mortgage Charges Pending
Amendment of the Federal Rules of Bankruptcy Procedure (Dated 5/21)**

Per the terms of this General Order, the Supplemental Provisions to the mandatory Chapter 13 Plan annexed thereto are adopted pending amendment of the Federal Rules of Bankruptcy Procedure and further Order of the Court.

The Supplemental Provisions regarding Part 1, “Proof of Claim, Supporting Information, Additional Statements,” are effective as to all Chapter 13 cases filed on or after July 1, 2009. The Supplemental Provisions regarding Part 2, “Notice Relating to Claims Secured by Security Interest in the Debtor’s Principal Residence,” are effective July 1, 2009, for all pending Chapter 13 cases

Interested parties should reference the General Orders and their governing provisions in full concerning the rights of Bankruptcy Debtors and Mortgagees.

The General Orders and additional information for the Public and Bankruptcy Debtors Concerning The New Jersey Judiciary Foreclosure Mediation Program may be found on the Court’s Website: www.njb.uscourts.gov

Dated: May 26, 2009

James J. Waldron