

**D.N.J. LBR 4001-3 AUTOMATIC STAY – SECURED CREDITORS – PROVISION OF
MONTHLY STATEMENTS, PAYMENT COUPONS AND RELATED
NOTICES**

- (a) It shall not be a violation of the automatic stay or the discharge injunction for secured creditors to send regular monthly statements and payment coupons to individual debtors in cases under Chapter 7, Chapter 13, and Chapter 11 of the Bankruptcy Code.
- (b) In the event that debtors fail to make timely payments, it shall not be a violation of the automatic stay or the discharge injunction for secured creditors to send reminder statements, provided that the statements are informational only, and do not demand payment.
- (c) If mortgage payments include an escrow for property taxes and/or insurance, it shall not be a violation of the automatic stay or the discharge injunction for secured creditors to send any and all notices regarding the status of the escrow account(s), including notices regarding calculations of new monthly payments based on changes in property taxes or insurance premiums.
- (d) If any mortgage obligation is a variable rate mortgage, it shall not be a violation of the automatic stay or the discharge injunction for secured creditors to send notices regarding adjustments in monthly payments resulting from interest rate changes.

NEW JERSEY BOARD OF BANKRUPTCY JUDGES NOTES

2011 Comment: In September 2009, the Judicial Conference approved a set of Guidelines for Distinguishing Between Matters Appropriate for Standing Orders and Matters Appropriate for Local Rules. In response to these Guidelines, the Board of Bankruptcy Judges concluded that the provisions of the Court's General Order Permitting Secured Creditors in Individual Cases Under the Bankruptcy Code to Provide Debtors With Monthly Statements, Payment Coupons and Related Notices Without Violating the Automatic Stay and Discharge Injunction of 11 U.S.C. § 362 and 524 Respectively (dated January 3, 2005), should be addressed in a local rule. As a result, on August 1, 2011, the Court adopted D.N.J. LBR 4001-3 and incorporated the provisions of the General Order into this local rule. This new rule sets forth a procedural mechanism by which secured creditors may provide debtors with monthly statements, payment coupons and related notices in individual cases under Chapter 7, Chapter 13, and Chapter 11 of the Bankruptcy Code without violating the automatic stay and discharge injunction of Sections 362 and 524 of the Bankruptcy Code respectively.