

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

**IMPORTANT NOTICE TO THE BAR AND PUBLIC CONCERNING
GENERAL ORDER 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 USC SECTIONS 362 AND 524 RESPECTIVELY,
TO BE EFFECTIVE JANUARY 17, 2005**

A 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 USC Sections 362 and 524 Respectively was entered in the United States Bankruptcy Court for the District of New Jersey on January 3rd, 2005 (“*the January 3rd, 2005 General Order*”).

The January 3rd, 2005 General Order, is in response to a proposal by the Lawyers’ Advisory Committee (LAC) requesting that the Court set 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.

The January 3rd, 2005 General Order, specifically provides as follows:

1. 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 debtors in individual cases under Chapter 7, Chapter 13 and Chapter 11 of the Bankruptcy Code;
2. 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;
3. 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; and
4. 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.

A copy of this Notice, together with the *January 3rd, 2005 General Order*, is available on the Court's website at: www.njb.uscourts.gov, or at the Clerk's Office in each vicinage.

Dated: January 3rd, 2005

James J. Waldron, Clerk