

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE

REQUEST TO INCUR NEW DEBT

In Re: _____

Case No.: _____

Debtor(s)

Date: _____

The debtor is seeking to borrow funds for:

Car Purchase Car Repair Home Purchase Home Repair Home Refinance Tuition Other

The debtor is requesting permission to borrow \$_____ from _____ to be repaid over _____ months at a payment of \$_____ per month with an interest rate of _____. If a down payment is required, the amount and source of the down payment is: _____

The debtor [has has NOT] previously requested to incur new debt in this case. If yes, provide the reason, amount loaned, repayment amount and status of the loan: _____

Please provide the required information outlined on the attached instruction sheet. Failure to provide this information may result in a denied/returned request:

To support this request, the debtor [has has NOT] filed an amended budget. Attach a copy of the amended budget. If this debt is incurred, a modified plan [will will NOT] be filed. Attach a copy of the proposed modified plan.

By signing below, the Debtor(s) certify that the above information is complete and accurate and that they have provided their attorney with updated and accurate information regarding their current financial status and need for the proposed request to incur debt.

Signature (Debtors): _____ **Date:** _____

Signature (Debtors): _____ **Date:** _____

By signing below, the Debtor(s)' Attorney certifies that he or she has reviewed this request, bankruptcy schedules and budget and has discussed with the debtor(s) the necessity of this debt and the effect it may have on the debtor(s)' plan and finances.

Signature (Attorney): _____ **Date:** _____

For Trustee Use Only: This Request to Incur New Debt has has NOT been approved. If approved, the Trustee's signature will appear below. If not approved, it has been denied for the following reason:

Approved: _____

Date: _____

Kara L. West, Standing Chapter 13 Trustee

INSTRUCTIONS FOR REQUEST TO INCUR NEW DEBT FORM

Please provide the requested information on the form above. Depending on the reason for the debt request, you must provide the following information in the lined portion of the form. Failure to provide all requested information may result in the denial or return of the request as insufficient.

For **Car Purchase** requests, the lined portion of the form must contain the following information:

- Number and condition of vehicles currently owned by the debtor(s) with an explanation if there is any variance or change from what was reported on the most recent Schedule A/B
- Identify which vehicles are still being paid for by the debtor, either through Trustee disbursement or direct pay
- Identify the primary drivers of all vehicles, including the proposed vehicle to be purchased
- Identify the need for the additional vehicle or whether this vehicle will be replacing any of the currently owned vehicles, and if so, which vehicle. Also, if it's a replacement vehicle, then identify what will happen to the original vehicle and status of court approval (trade-in, sale, insurance proceeds or salvage)
- Identify the make, model and trim level of the vehicle to be purchased (and estimated mileage, if used)

For **Car Repair** requests, the lined portion of the form must contain the following information:

- Number and condition of vehicles currently owned by the debtor(s) with an explanation if there is any variance or change from what was reported on the most recent Schedule A/B
- Describe the nature of the repair and its estimated cost

For **Home Purchase** requests, the lined portion of the form must contain the following information:

- Identify any real estate owned by the debtor and what will happen to this real estate and the status of court approval (sale or insurance proceeds)
- The current amount paid for housing by the debtor and the size of current housing (bed/bath) - whether rented, leased or owned
- The size (bed/bath) of the home sought to be purchased
- Identify whether the payment terms listed on the form include escrow items, such as taxes and insurance. If not included in the payment terms, the estimated monthly amount of taxes and insurance

For **Home Repair** requests, the lined portion of the form must contain the following information:

- Confirm whether the debtor resides in the real estate sought to be repaired
- The presence of any insurance proceeds to defray costs and status of court approval, if applicable
- Describe the nature of the repair and its estimated cost

For **Home Refinance** requests, the lined portion of the form must contain the following information:

- Identify an estimate of the current balance of the loan and the amount to be refinanced
- Identify current interest rates and term, as well as, the refinance interest rates and term

For **Tuition** requests, the lined portion of the form must contain the following information:

- Identify the student, the course of study/degree sought and the student's current status (i.e. to begin freshman year)
- Identify what portion of the loan is for tuition and books expenses, and what may be used for living expenses
- Identify graduation date and the anticipated effect of having a degree or certificate on the debtor's earning capacity

REQUIRED FOR ALL REQUESTS: Identify whether the new debt will impact the debtor(s) ability to perform under the current plan and whether a modified plan will be needed. If the debtor(s) budget as presented on the latest filed Schedule I/J does not show room for the proposed repayment amount, then the request will be denied. Please review this step prior to sending an initial request and consider whether an amended Schedule I/J is needed to show the debtor's ability to repay the debt. If the debtor anticipates filing a modified plan in conjunction with the request to incur new debt, then please provide a copy of the proposed modified plan. The debtor's attorney should fully discuss the impact of the additional debt with the debtor.