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CHAPTER 13 TRUSTEE

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Regarding the Coronavirus (COVID-19) Pandemic

The Office of the Chapter 13 Trustee is aware of the hardships that many individuals in open chapter 13 cases are experiencing as a result of the COVID-19 pandemic. We have been receiving a significant number of requests for deferrals from individuals whom have been laid off of work, lost jobs, or are at home caring for school age children. We encourage you all to put into practice the recommendations of the Centers for Disease Control, World Health Organization, and state and local authorities.

It is our intent to review each deferral request on a case-by-case basis. Please keep in mind, however, that we are also experiencing a shortage of staff during this time which may unfortunately prolong the processing of the request. Thus, it would be very helpful for you to furnish with your request as much information and documentation available to you to support your request. Please note that the trustee may only work within the confines of the confirmed plan and is only able to provide short-term respite. Anyone with a long-term change in circumstances should contact their attorney as a plan modification may better suit their needs.

Please be advised that at this time, we will not be seeking dismissal of a case if the failure to make plan payments was due to a COVID-19 related interruption. If you are unable to make payments for this reason, please contact your attorney immediately. Documentation proving this will be required. This may not extend to individuals that were behind on plan payments, tax refunds, bonuses, etc. prior to March 2020 and/or the failure to provide information requested separate from the virus.

Pursuant to the language of the Chapter 13 plan, the Trustee's office is permitted to grant deferrals of up to two months per calendar year and up to four during the term of the plan. Any payments that are deferred will be due before the plan completes. If your plan has not been confirmed, we ask that you keep your attorney informed of your income status so that they can pass this information on to the Trustee's office. You may need to provide your attorney with a letter from your employer and/or a copy of your most recent paystub.

In order for this office to process your requests, we will need to be provided with certain information to evaluate the need. I would ask that if you are requesting a two month deferral that you wait until May to make the request instead of seeking a deferral in April and then a second one in May. All deferral requests should be submitted via email to shawna@kam13trustee.com. We will need documentation of your job loss or proof of your current income if you have had a reduction in pay (most recent paystub). We will need to know if you have already applied for unemployment, the status of that application, and the actual or anticipated amount you will be receiving on a weekly basis.

If you have not applied for unemployment, we will need to know why you are not applying.

Additionally, the Trustee's office will need to be apprised of any benefits or lump sum payments you receive from your employer. We will also need to know if you take advantage of any programs that have given you forbearance on your mortgage payments, automobile payments, and/or student loan payments as this will affect your ability to make your plan payments.

If the Trustee is paying your regular monthly mortgage payments through your plan, then you will need to continue to make a plan payment sufficient to cover the mortgage payment, plus the trustee's fees.

In some cases, people have committed a portion of their tax refunds to be paid into their plan to resolve funding issues. While we are aware that the deadline for filing tax returns has been extended to July 15, 2020, we urge you to file your tax returns as soon as you are able so the tax refunds may still be received in a timely manner and we can avert the risk of creditors seeking stay relief in they do not receive their expected payment(s). As always, if you have any questions regarding this or anything related to the Chapter 13 bankruptcy process and COVID-19 please contact your attorney first as they will be able to give you the necessary legal guidance in these matters.

Finally, I must ask for your patience as we have a lot of requests that we need to review in addition to our regular administrative duties. The priority of my office remains to do what we are able to help you have a successful chapter 13 plan and we are all working hard towards that end. You can be confident that, despite the strain of these uncertain times, we are taking all necessary steps to ensure that cases are administered accurately and with as little delay as possible. Your payments, data, and correspondence are as safe as they have always been. I sincerely hope that each of you will stay safe and healthy while our government is doing the best it can to stop the spread of the illness and hopefully return to normalcy as soon as is safely possible.

Respectfully,

Kathleen McCallister,
Chapter 13 Trustee