

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF ILLINOIS

In re

Chapter 13 Pre-confirmation Adequate Protection Payments

ORDER

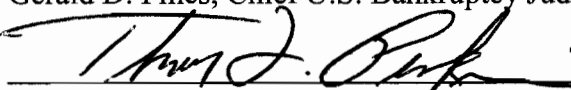
IT IS HEREBY ORDERED, effective as to all Chapter 13 cases filed on or after October 17, 2005, as follows:

- (1) Pre-confirmation payments on leases of personal property governed by 11 U.S.C. § 1326(a)(1)(B) shall be made directly by the debtor to the lessor if the plan provides for the debtor to assume the lease. However, such payments shall not reduce the amount of the payments to be made to the trustee as proposed in the plan, since the plan must provide for all lease payments that come due postpetition to be paid direct by the debtor to the lessor, not through the trustee, and such payments should be shown as an expense on Schedule J. If the plan provides that the lease is to be rejected or does not provide any treatment of the lease, no payments shall be made to the lessor unless otherwise ordered by the Court.
- (2) Pre-confirmation adequate protection payments governed by 11 U.S.C. § 1326(a)(1)(C) shall be made directly by the debtor to the secured creditor only if the plan provides for the debtor to retain the collateral and to pay the claim outside of the plan, not through the trustee, in which case the amount and due date of each adequate protection payment shall be as provided for in the contract between the parties. If the plan provides for payment of the secured claim by the trustee, the debtor shall pay the trustee the full payment required by the plan and the trustee shall make the monthly pre-confirmation payments to the secured creditor in the amount that the creditor would receive if the plan (or any amended plan) was confirmed as filed, to the extent of available funds. All adequate protection payments shall be credited against the allowed secured claim.

Dated: October 3, 2005




Gerald D. Fines, Chief U.S. Bankruptcy Judge



Thomas L. Perkins, U.S. Bankruptcy Judge



Mary P. Gorman, U.S. Bankruptcy Judge



William V. Altenberger, U.S. Bankruptcy Judge



Larry Lessen, U.S. Bankruptcy Judge