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## UNITED STATES BANKRUPTCY COURT DISTRICT OF VERMONT



In re:

Debra Landry Debtor. Chapter 7 Case # 16-11208

## ORDER GRANTING TRUSTEE'S MOTION TO RECONSIDER FEE WAIVER ORDER AND DIRECTING PAYMENT OF FILING FEE IN INSTALLMENTS

On May 9, 2016, the Debtor filed a chapter 7 petition (doc. # 1) and an Application to Have the Chapter 7 Filing Fee Waived (doc. # 2, the "Fee Waiver Motion"). Raymond J. Obuchowski was appointed as the Chapter 7 Trustee (the "Trustee"). Upon reviewing the application and the information presented at the time, on May 10, 2016, the Court entered an order granting the Debtor's Fee Waiver Motion (doc. # 5, the "Fee Waiver Order"). The Fee Waiver Order (consistent with the Official Bankruptcy Form for such an order) explicitly states "the court may order the debtor to pay the fee in the future if developments in administering the bankruptcy case show that the waiver is unwarranted."

On June 2, 2016, the Trustee filed a motion asking the Court to reconsider, and vacate, the Fee Waiver Order (doc. # 9, the "Motion to Reconsider") on the basis that subsequent to entry of the Fee Waiver Order, developments in administering this bankruptcy case did show the waiver was unwarranted. The Trustee pointed to the Debtor's spouse's income that could potentially disqualify her from a fee waiver, the Debtor's payment of attorney's fees, and the Debtor's pre-petition transfer of approximately \$7,000 into a savings account. The Court thereafter entered an order setting a hearing on the Trustee's Motion to Reconsider for July 20, 2016, and directed the Debtor to appear and present any evidence or arguments she believes pertinent to, and/or to rebut, the allegations of the Motion. The United States Trustee, the Trustee, and the Debtor appeared at the hearing.

The Trustee reiterated his arguments from the Motion to Reconsider, and the Debtor indicated (i) her spouse's increased income was due to a personal injury settlement, not social security disability income, (ii) \$1,000 from that settlement was deposited into a joint bank account pre-petition, and (iii)

Case 16-11208 Doc 13 Filed 07/22/16 Entered 07/22/16 11:25:15 Desc Main Document Page 2 of 2 since all money from the personal injury settlement had been spent or disbursed, at this point she was unable to pay the filing fee, even in installments. While the Debtor argued neither she nor her spouse had any excess funds before the settlement, the Trustee is correct in asserting that the Debtor had enough funds available from the joint account to pay the chapter 7 filing fee, at the time of the filing of the petition.

Based upon the record in this case, and the representations of the parties at the hearing, IT IS HEREBY ORDERED that the Trustee's Motion to Reconsider is granted and the Debtor shall pay the filing fee of \$335 in four separate installments. Additionally, based upon the Debtor's representations, THE COURT FINDS there is cause to extend the time of installment payments from 120 days to 180 days after the petition date, pursuant to Bankruptcy Rule 1006.

IT IS HEREBY ORDERED the Debtor shall pay the filing fee according to the following terms: \$83.75 by August 10, 2016 \$83.75 by September 7, 2016

\$83.75 by October 5, 2016 \$83.75 by November 4, 2016\* SO ORDERED.

July 22, 2016 Burlington, Vermont

Colleen A. Brown United States Bankruptcy Judge

\*November 5, 2016 is the 180<sup>th</sup> day after the petition date, but that date falls on a Saturday.