

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

**12/3/14 DRAFT**

Attachment C to 12/12/14 BB Agenda
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In re:

**MODIFICATION OF  
LOCAL RULES OF PRACTICE AND  
PROCEDURE IN BANKRUPTCY COURT,  
DISTRICT OF VERMONT**

**STANDING ORDER # 14-05**

**TO REVISE LOCAL RULE 4001-7, ADOPT  
MM FORM # \_\_, AND REVISE MM FORMS  
## \_\_**

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On January 1, 2012, this Court established a mortgage mediation program (the “Program”) via Standing Order # 11-05, and later codified it as Vermont Local Bankruptcy Rule 4001-7. The Program and that Local Rule were modified on May 1, 2013, through Standing Order # 13-05.

In order to assess the effectiveness and efficiency of mortgage mediations undertaken through this Program in bankruptcy cases in Vermont, and ascertain whether Vt. LBR 4001-7 provides an efficient and transparent process which serves both debtors and creditors, on May 6, 2014, the Court convened a Mortgage Mediation Task Force to study those questions. Through discussions and deliberations with that Task Force, as well as the Court’s observation of the Program over nearly three years, the Court determined the Program needed improvement and the pertinent Local Rule should be modified. Therefore, the Court is modifying the Local Rule 4001-7 to clarify and streamline the Program, and to implement steps designed to enhance its effectiveness of mortgage modification and loss mitigation procedures in this District.

The primary substantive changes to the Program are:

- (i) the name of the Program is now Mortgage Mediation and Loss Mitigation Program;
- (ii) there is no longer a requirement that the parties address proof of ownership of the note during mediation;
- (iii) the timing and process for selecting a mediator is more specific;
- (iv) the parties and mediator are strongly encourage to file a joint proposed scheduling order, with default scheduling rules in place in the alternative,
- (v) the mediator must hold a pre-mediation telephonic conference and make a written record of that conference,
- (vi) if the creditor denies modification it must, at the time of denial, provide a written explanation as to why modification is not available;

- (vii) in mediations lasting more than 120 days, the mediator may be required to file an interim report of mediation; and
- (viii) the mediator's fee is increased from \$750 to \$900 per mediation, to reflect the mediator's additional responsibilities (including convening a pre-mediation telephonic conference, making a record of that meeting, collaborating in the drafting of the proposed joint scheduling order, and preparing and filing an interim report);

Accordingly, IT IS HEREBY ORDERED that Vt. LBR 4001-7 is revised to incorporate the changes set forth in Attachment 1, appended to this Standing Order.

IT IS FURTHER ORDERED that local forms MM Form ## \_\_ are revised to incorporate the changes set forth in Attachments \_\_ - \_\_.

IT IS FURTHER ORDERED that Attachment \_\_ shall be designated as MM Form # \_\_.

IT IS FURTHER ORDERED that these changes are effective upon entry of this Standing Order.

SO ORDERED.

[12/3/14 DRAFT]  
Burlington, Vermont

\_\_\_\_\_  
Colleen A. Brown  
United States Bankruptcy Judge

Attachment A: Copy of revised Vt. LBR 4001-7

Attachments \_\_:\_\_; \_\_:\_\_; \_\_: \_\_.