

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT**

In re:

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

STANDING ORDER # 07-06

**MODIFYING THE PROCEDURE FOR A
DEBTOR'S MOTION TO CONVERT
A CHAPTER 7 CASE TO CHAPTER 13**

WHEREAS, this Court has to date taken the position that a debtor has an absolute right to convert a case under Chapter 7 to a case under Chapter 13 and therefore that the debtor need only file a motion on notice to the United States Trustee (UST) and Chapter 7 Trustee in order to be eligible to convert the case; and

WHEREAS, in Marrama v. Citizens Bank of Massachusetts, et al., 127 S.Ct. 1105 (February 21, 2007), the Supreme Court ruled that the right to convert a case under Chapter 7 to a case under Chapter 13 is not absolute, but rather is conditioned on a debtor's eligibility for Chapter 13 relief, and in particular upon a debtor demonstrating that such conversion is in good faith;

THE COURT ACCORDINGLY FINDS that in order to comply with Marrama, this Court must modify its procedure for processing a debtor's motion to convert a case from Chapter 7 to Chapter 13;

THEREFORE, IT IS ORDERED that, effective immediately, if a debtor seeks to convert a case from Chapter 7 to Chapter 13 he or she must file a motion, on notice to all creditors, asserting that the debtor is eligible for relief and the conversion is in good faith; the motion may be filed using the default procedure set forth in Vt. LBR 9013-4.

Appendix I to the Local Rules shall be amended to specify that a motion to convert a case from Chapter 7 to Chapter 13 must be filed on notice to all creditors, and may be done under the default procedure.

SO ORDERED.

Rutland, Vermont
April 9, 2007



Colleen A. Brown
United States Bankruptcy Judge