

APPLICATION FOR ABATEMENT

An abatement is when a Trustee rolls over missed payments to the end of the plan. Generally, he will let everyone do that at least once during the life of their plan. However, you must have a decent reason. For example, unemployment or other reduction of income is acceptable, as well as extraordinary expenses associated with illness, car repairs, etc. The period of abatement can run from one to three months (abatements of longer than 3 months are only granted under exceptional circumstances).

In order to do that, we have to file a plan modification motion with the court. We have to send notices to all of your creditors, and give them 20 days to object. If no objection is received, we then prepare an order to be signed by the Trustee and the Judge. If an objection is received, a hearing has to be held. You do not have to appear at the hearing, but Mr. Cloon does. Creditors rarely object, however, sometimes the Trustee will if you had had more than one abatement. He may also insist that you agree to begin payroll deduction from your check so that future payments are not missed. There are additional attorney fees associated with this modification. If no objection is filed, the fees are usually \$180. If an objection is filed, the fees will be more depending on the length of the hearing and any extra work that may be required. You do not have to pay these in advance. We will file a fee application with the court, and will be paid out of the payments you make to the court.

If this is what you want to do, please fill out the information below and mail it back as soon as possible with the attached cover letter.

Name(s): _____ Case Number: _____

I/We need the payments abated through the last day of _____, 2000.

I/We understand that if payments do not resume within thirty days after the end of the abatement, the case will be dismissed without further notice. For example, if payments are abated through the end of April, 2000, payments must resume by the end of May, 2000.

Reason:

(Check one below)

_____ I/We agree to payroll deduction (if joint filing, from husband _____ or wife _____)

_____ I/We do not agree to payroll deduction. I/We understand this may be grounds for denial of the abatement.

_____ I/We are not employed or are self-employed, so cannot agree to payroll deduction.
(You must call and advise us when you become re-employed).

Name of employer for payroll deduction: _____

Address of employer: _____

Paychecks are issued _____ weekly, _____ every two weeks _____ twice a month _____ monthly.

Debtor

Joint Debtor (if applicable)