

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

ADMINISTRATIVE ORDER 2008-2 (Section A)

This Administrative Order is rendered for the purpose of implementing the procedures required of all creditors that maintain an escrow account for debtors with cases pending before the United States Bankruptcy Court for the Eastern District of Louisiana, Section A. The procedures are explained and applied in this Court's April 23, 2008, Amended Memorandum Opinion in *In re Fitch*, Case No. 07-11319. The Court sets the following parameters for the calculation of amounts due as of the petition date for escrow and to be reflected on proofs of claim.

Debtor's actual escrow balance as of the petition date must be listed on the proof of claim. Creditors are required to disclose the last year's disbursement for property taxes and insurance premiums, as well as the date of last payment.

To calculate the past due escrow amounts, the prior year's disbursements should each be divided by 12 then multiplied by the number of months between the date of last payment and the petition date. The sum of these amounts, plus two months worth of escrow payments as allowed by RESPA, should then be subtracted from the actual escrow balance existing on the petition date. If the difference is a negative number, this amount should be reflected on the proof of claim as a past due sum. If the difference is a positive number, it should be a credit against other sums owed.

The calculations explained above should appear on the face of the proof of claim:

Escrow charges	Amount	Date paid	Mo amt	Mos to petition date	Total due
Hazard Ins	\$A	X/X/XX	A/12=M	X/X/XX-Petition date=N	M*N
Flood Ins	\$B	X/X/XX	B/12=O	X/X/XX-petition date=P	O*P
Taxes	\$C	X/X/XX	<u>C/12=Q</u>	X/X/XX-Petition date=R	<u>Q*R</u>
Total			S		T

The two (2) months worth of escrow payments allowed under RESPA are calculated: $[(A + B + C) / 12] \times 2 = U$.

$U + T = \text{Past Due Escrow Payments.}$

The actual escrow balance on petition date minus the Past Due Escrow Payments ($U + T$) = escrow balance on proof of claim.

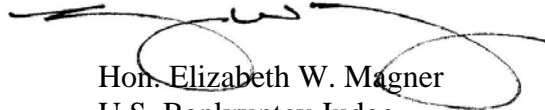
The debtor's postpetition escrow account should begin with a balance equal to the Past Due Escrow Payments ($U + T$).

The new monthly postpetition escrow payment ("S") should be added to postpetition installments of principal and interest beginning on the first due date following the petition date.

The proof of claim should only list the interest and principal components of all prepetition

past due installments. Any amounts held in debtor's suspense, as well as all other outstanding fees, costs, and charges should be separately listed.

New Orleans, Louisiana, May 8, 2008.



Hon. Elizabeth W. Magner
U.S. Bankruptcy Judge