

Motions to Retain Funds in Chapter 13 Cases

Judge Humphrey requires all motions requesting approval to retain funds in excess of \$2,500 to include an itemization detailing how the funds will be spent for necessary and unexpected expenses outside the debtor's or debtors' budget. This requirement applies to funds received from the non-exempt portion of a tax refund, bonus, commission, insurance claim, inheritance, personal injury claim, worker's compensation, social security claim or any other source. The itemization must include the description of the proposed expenditures, the estimated costs, and the calculation showing 1) the aggregate amount proposed to be retained; 2) the amount, if any, to be turned over to the Chapter 13 trustee; and 3) the amount, if any, that is left over. In addition, the itemization must be accompanied by supporting documentation, including any estimates prepared by proposed service providers (e.g., building contractors, mechanics, medical service providers, etc.) and any cost comparisons of goods the debtor intends to purchase (e.g., new appliances, vehicles, etc.). However, medical bills or invoices or any other documentation which may provide private or confidential information (particularly information protected by the Health Insurance Portability and Accountability Act ("HIPAA")) should not be attached or filed with the court unless appropriately redacted. (A summary billing page without the private or confidential information may be attached or filed in such instances.) In addition, if any personal identifiers are included on any such documents, the personal identifiers shall be redacted in accordance with Federal Rule of Bankruptcy Procedure 9037.

This requirement also applies to any motion to sell property through which the debtor is retaining funds, unless a separate motion to retain has been filed.