

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
ANTHONY LEONE,) CASE NO. 10-24565
) Chapter 7
Debtor.)

ORDER REGARDING MOTION TO APPROVE LOAN MODIFICATION ["MOTION"]

On December 10, 2010, the debtor, by counsel, filed a Motion to Approve Loan Modification. If they fit within the provisions of the Bankruptcy Code anywhere, applications seeking approval of a loan modification between the debtor and a creditor fall under 11 U.S.C. § 364, a provision which admittedly is not a very good fit for these types of agreements. These agreements are essentially contracts between a debtor and a creditor which operate outside of the scope of the Bankruptcy Code. In a Chapter 13 case, the impact of such an agreement upon the debtor's plan causes matters in relation to these agreements to fall within the statutory jurisdiction of the United States Bankruptcy Court. However, in a Chapter 7 case, these agreements have nothing whatever to do with the administration of the bankruptcy estate or the trustee's interests in property of the estate or affairs of the estate. Therefore, in a Chapter 7 case, the United States Bankruptcy Court has no jurisdiction to deal with agreements of the nature of that subject to the above-designated motion.

The court determines that it has no jurisdiction with respect to the relief requested by the motion.

IT IS ORDERED that the motion is Denied.

Dated at Hammond, Indiana on December 22, 2010.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:

Debtor, Attorney for Debtor
Trustee, US Trustee