

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION

IN RE: )  
)  
TARA L. FOX, ) CASE NO. 11-22111 JPK  
) Chapter 7  
Debtor. )

ORDER ON MOTION TO APPROVE  
LOAN MODIFICATION ("MOTION")

The Motion was filed on August 9, 2011. The court seriously questions whether it has jurisdiction with respect to the Motion, in that this is a Chapter 7 case. The only conceivable basis for jurisdiction is that the modification may evidence that the subject real estate will not be subject to a foreclosure action which will result in a deficiency owed by the debtors, which could then be translated into a claim filed in this case for the deficiency, thus possibly constituting some form of adjustment of the debtor/creditor relationship in relation to distribution of property of the estate. However, the court's "blessing" of the loan modification would do nothing in this regard, in that the contractual loan modification itself would serve the same end. Finally, the subject real estate has been abandoned from the estate, causing any contention of this Motion to administration of the estate to be remote at best.

Unlike circumstances in which motions of this nature are presented in Chapter 13 cases in order to determine the manner in which an allowed secured claim will be paid under a Chapter 13 plan, in a Chapter 7 case there appears to be no valid basis for a creditor's and debtors' seeking the court's approval of a loan modification.

IT IS ORDERED that a final hearing on the Motion will be held on **September 9, 2011, at 9:00 A.M.**

Dated at Hammond, Indiana on August 19, 2011.

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

Distribution:  
Debtors, Attorney for Debtors, Trustee, US Trustee, Attorney for Creditor