

MOTIONS TO INCUR DEBT TO PURCHASE
A VEHICLE OR REAL ESTATE

1. Describe the circumstances which make the purchase necessary.
2. Set out a description of the vehicle or real estate to be purchased and the price.
3. State the amount the Debtor intends to borrow and describe the terms of the financing including the interest rate. (In most instances the Trustee will object to any request to purchase a vehicle priced at more than \$26,000.00 and financing at more than 18%. If the Debtor needs a more expensive vehicle such as handicapped equipped be very specific in the motion why the debtor requires a more expensive vehicle.)
4. State the name and address of the lender and attach a copy of the sales contract and proposed financing agreement. For real estate purchase, attach a copy of the good faith estimate of settlement charges.
5. If buying a vehicle, describe the Debtor's trade in if any. If the debtor is making a cash down payment, state the source of the payment.
6. State the amount of the anticipated monthly payment and explain how the Debtor intends to pay the additional debt such as third party contribution, increased income, decrease in expenses, etc. Provide the Trustee with current Schedules I and J, pay stub and tax return .

If the motion is to be expedited

1. Set out the specific reason for expediting.
2. If requesting a response deadline of less than one week, fax or email a copy of the Motion to Shorten the Response Time to Connie Davis at 361-882-4973(fax) or cdavis@ch13cctx for either the Trustee or Staff Attorney to sign indicating receipt prior to filing motion.

What we look at when we receive the motion:

1. Is the purchase necessary for the debtor's reorganization?
2. How close is debtor to making his or her plan base and what is the % being paid to the unsecured creditors?
3. Is the debtor current in plan payments and has there been a history of delinquency?
4. Does the budget allow for the additional expenditure without jeopardizing the debtor's ability to complete the plan?
5. Is the cost of the vehicle or real estate and the financing terms reasonable?
6. Does the content of the order conform to the content of the motion?

