



## **Judge McEwen's Make Me Smile Moments**

Another Reaff Success Story (or, Sometimes the Lender Does Better by Playing “Let’s Make a Deal” . . .)

Jane Sobotta “volunteered” (let me arm-twist her in open court) to take a chapter 7 debtor up to the clinic to call the lawyer for the lender that held a lien on his car. He had been trying to get through to attempt to negotiate a better deal on a reaffirmation agreement as he was five months behind in his installment payments. The lender’s lawyer had refused to speak with him. Ms. Sobotta was able to get through and explain that I wanted the lender to discuss settlement with the debtor. Once Ms. Sobotta explained the debtor’s plight and his options, the lender’s lawyer immediately agreed to a deal that was beneficial to both parties. And the lender’s lawyer agreed that I could call him in open court to confirm the deal. Absent a deal, the debtor would need to convert to a chapter 13 to save his car by paying the arrearages over 36-60 months. If he remained in a chapter 7 and the lender moved the arrearages to the end of the loan, the loan would be paid out in a little over two years. To put icing on the debtor’s cake, Ms. Sobotta also worked out a waiver of the lender’s cross-collateralized credit card claim, making it dischargeable. If the debtor had surrendered the car, the lender knew there was no equity in it to satisfy any part of the credit card claim. The Court thanks Ms. Sobotta for her pro bono assistance with the matter.

Another Make Me Smile Moment....

This time a consumer debtor’s counsel, Christopher Ikerd, made me smile over the results of a negotiated redemption with Toyota Motor Credit Corp. And the lawyer didn’t require me to beg him to go try. He did it out of the box. No reaff. Just a redemption motion. And just how much did his work save the clients? Almost \$9,000! Now that’s an example of how the reaff vs. redemption game should be played—assuming there is a redemption lender available. (This time it was Prizm. Some past redemption blurbs in this space involved 722redemption.com.) Remember, if you don’t try, it will never happen.