



MORE ON REAFFS...

By Honorable Catherine Peek McEwen

An interest rate reduction resulting from negotiating a reaffirmation agreement was a bright spot on a recent “come-back” reaff docket, especially given that the new rate was negotiated by the adult daughter of an older, pro se debtor who is hearing impaired and on a fixed income. That is what happened in a case of mine when the daughter was given a chance to come back (by phone) on another day after trying to do better for her mother. The daughter was able to reduce her mother’s interest rate more than 15 points, from 25.72 percent to 10 percent! Good daughter, good result for Mom.

What are the odds that on the same come-back docket a debtor who is represented by counsel had negotiated a redemption, shaving off more than \$8,000 in principal, and deciding to forget about the reaff? Well, the odds are better than none if one takes the time to explore alternatives and negotiate instead of blindly pursuing approval of a reaff.