Motion to Determine Secured Status/Value (and Strip Lien if Applicable)

Motion to Determine Secured Status/ value (and Strip Lien in Applicable)
Docketing Event
Bankruptcy > Motions/Applications/Objections > Motion to Determine Secured Status/Value (and
Strip Lien if applicable)
Negative Notice: Yes.
Accompanying Orders: N/A
Code and Rule References:
<u>11 U.S.C. § 506</u>
Fed. R. Bankr. P. 3002
Fed. R. Bankr. P. 3003
Fed. R. Bankr. P. 3012
Local Rule 3012-1
Fee: N/A
Applicable Chapters: 11, 12, 13
Implemented: 2/9/2016
Last Revision: 1/23/2018 9:43:46 AM
Description

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In Chapters 11, 12, and Chapter 13 individual cases, a party may file a motion seeking to determine the value of the property that is the security interest on an allowed claim.

For a claim to be "allowed" in a Chapter 13 case, a proof of claim must be timely filed by the creditor or by the debtor on behalf of the creditor. Fed. R. Bankr. P. 3002. In Chapter 11 cases, in addition to timely filed proofs of claim, if the debt is listed in the debtor's schedules and is not listed as disputed, contingent, or unliquidated, the listing constitutes an allowed claim. Fed. R. Bankr. P. 3003.

Motions to Determine Secured Status are sometimes called Motions to Value, Motions to Value Collateral, or Motions for Determination that Claim is Unsecured. Some Motions to Determine Secured Status include a request to strip off a lien and also may be called Motions to Strip Lien. In certain instances, if the value of the property is such that the junior lien has no security, the junior lien may be "stripped off" completely. Lien stripping is not allowed in Chapter 7 cases.

Filing Checklist

Review the motion to determine if it:

- \Box Is signed;
- □ Has the attorney's name and address complete and consistent with the filing attorney's name and address in CM/ECF;
- □ Includes a redacted loan for number for any loan or mortgage (excluding those filed on behalf of an HOA where there is no loan or mortgage number);
- \Box Includes a certificate of service;
- □ Contains negative notice that contains correct language and language is located on the first page.

Note: Response period is 30 days (plus an additional three days for service if any party was served by U.S. Mail).

Forms

Motion to Determine Secured Status of Claims and Void Junior Lien Order Granting Debtor's Motion to Determine Secured Status of Claims and Void Junior Lien Motion to Determine Secured Status of Claims