

CHAPTER 13

Practice FAQs & Trustee Guidelines

Office of Carl B. Davis
Standing Chapter 12 and Chapter 13 Trustee

Updated September 2026

OFFICE

300 W. Douglas Ave., Ste. 650
Wichita, Kansas 67202
(316) 267-1791
Fax: (316) 267-0970

CONTACT & PAYMENTS

Questions / Orders: inquiries@kstrustee.com
Website: www.kstrustee.com
Chapter 13 payments: P.O. Box 501, Memphis, TN 38101
Telephone hours: Mon-Fri, 10:00 a.m.-3:00 p.m.

Purpose and scope. This publication describes general procedures, practices, and positions of the Trustee's office. It is intended as a practical resource for debtors, attorneys, creditors, and other parties in Chapter 13 cases. It is not legal advice and does not address every factual situation. The Bankruptcy Code, Federal Rules of Bankruptcy Procedure, District of Kansas Local Bankruptcy Rules, court orders, and the terms of a confirmed plan control in the event of any inconsistency.

Table of Contents

[1. Payments and Disbursements](#)

[2. Online Access and Document Delivery](#)

[3. Automobile and Secured-Debt Issues](#)

[4. Mortgage Issues](#)

[5. Creditor Issues](#)

[6. Tax Returns and Tax Refunds](#)

[7. Post-Petition Claims, Special Classification, and Lanning Deviations](#)

[8. Motions to Dismiss and Employer Pay Orders](#)

[9. Professionals and Attorney Fees](#)

[10. Post-Petition Loans](#)

[11. Funds on Hand and Unclaimed Funds](#)

1. Payments and Disbursements

Can a debtor pay the Trustee in person in Topeka or Wichita?

No. The Trustee does not accept in-person payments or cash. Chapter 13 payments must be mailed to the Chapter 13 payment lockbox at P.O. Box 501, Memphis, TN 38101, or made through TFS. The Trustee strongly encourages Chapter 13 debtors to use TFS.

How long does it take for a payment to post?

Payments are posted daily. A payment will typically appear on BankruptcyLink within one to two days after it is received and processed.

When does the Trustee disburse payments?

The Trustee generally uses a month-end cutoff and disburses during the first week of the following month. Distribution checks are generated through the Trustee's payment-processing system.

2. Online Access and Document Delivery

What is the National Data Center (NDC), and how can I access it?

NDC provides case information concerning pending Chapter 13 cases to debtors and other parties in interest. Debtors and their attorneys may obtain access through NDC. For office assistance with access, email inquiries@kstrustee.com.

Do I need a new NDC account if I already have one?

Usually not. If an existing NDC account uses the same email address associated with the case in the Trustee's system, the user should ordinarily be able to view the case after it is added to the system.

What is Epiq BankruptcyLink?

BankruptcyLink is the Trustee's online case-information system for authorized users, including debtor's counsel. To request access, email inquiries@kstrustee.com.

What is the Document Delivery Portal (DDP)?

DDP is the secure document-delivery portal used by the Trustee's office and managed by Epiq. Access is by invitation. Email inquiries@kstrustee.com to request an invitation.

Who should I contact for technical problems?

For Epiq DDP or BankruptcyLink technical issues, contact Epiq at 1-888-374-2713. NDC provides its own online support options.

3. Automobile and Secured-Debt Issues

The debtor wrecked an encumbered vehicle. What happens next?

If insurance proceeds will be used to purchase replacement collateral, the debtor may seek an order substituting collateral. To avoid a Trustee objection, the motion should explain whether treatment of the secured claim will change and should identify the replacement collateral, if known, or state that the information will be provided to the Trustee. If the debtor intends to surrender the vehicle and obtain another vehicle, an appropriate plan modification may be required. Unless the confirmed plan is changed, the claim is otherwise resolved, or the lienholder confirms that it has been paid from insurance proceeds, the Trustee will continue administering the claim under the confirmed plan.

Can a debtor pay a secured vehicle loan directly instead of through the Trustee?

The Trustee generally expects secured claims that are being modified by the Chapter 13 plan to be paid through the Trustee. The Trustee may not object to direct payment of an unimpaired secured obligation, particularly when the contractual payment period extends beyond the plan term or the obligation is being paid by a third party. Whether direct payment is appropriate depends on the facts, the proposed plan treatment, and applicable law. VERIFIED: *In re Barber*, 191 B.R. 879, 883-85 (D. Kan. 1996) (recognizing that direct payment is possible under 11 U.S.C. § 1326(c), but that departure from trustee disbursement generally requires a significant reason and is committed to the bankruptcy court's discretion).

Can the plan use the contract interest rate instead of the presumptive Till rate?

If the contract rate is lower than the presumptive rate used in the District of Kansas, the plan may provide for the lower contract rate through an appropriate nonstandard provision. If the contract rate is higher, the Trustee may object unless the debtor identifies a valid reason for the proposed treatment, such as protection of a non-filing co-obligor. Under D. Kan. LBR 3015(b).1(g), the presumptive rate for secured claims paid through a Chapter 13 plan is the five-year Treasury rate plus 3%, determined for the quarter in which the case is filed. Counsel should consult the Bankruptcy Court's website for the current posted rate. VERIFIED: *Till v. SCS Credit Corp.*, 541 U.S. 465 (2004); *In re Powell*, Case No. 12-12716, Doc. 30 (Bankr. D. Kan. May 1, 2013).

When is a vehicle too expensive for a debtor to keep?

There is no fixed dollar amount. The issue is fact dependent. The Trustee considers the debt and payment amount, the debtor's reasonable transportation needs, Means Test treatment, whether the plan accelerates payment of the vehicle debt, and the effect of retaining the vehicle on unsecured creditors. Debtors proposing to retain unusually expensive vehicles should be prepared to explain the need and the effect on plan distributions. VERIFIED: *In re Jackson*, Case No. 14-20808-13 (Bankr. D. Kan. May 29, 2015).

4. Mortgage Issues

The debtor has a small pre-petition mortgage arrearage. Must the entire mortgage be paid through the Trustee?

It depends on the arrearage and the plan. If the plan proposes direct payment and the proof of claim reflects a pre-petition arrearage of one regular payment or less, the Trustee's practice is generally to pay that arrearage without requiring the entire mortgage to become a conduit claim or requiring an amended plan. If the pre-petition arrearage is substantial, the Trustee may object and assert that the mortgage should be administered as a conduit claim under the District of Kansas Local Bankruptcy Rules.

How does the Trustee administer a standard conduit mortgage claim?

A standard conduit mortgage claim is generally administered in four components:

1. The continuing ongoing mortgage payment, including principal, interest, and escrow, if applicable.
2. The pre-petition arrearage stated in the mortgage proof of claim.
3. Post-petition arrearage or GAP amounts required by the applicable local rule and plan treatment.

4. Allowed post-petition fees, expenses, and charges under Federal Rule of Bankruptcy Procedure 3002.1.

Absent a contrary plan provision or claim objection, the Trustee administers the mortgage based on the allowed proof of claim and applicable plan and rule provisions.

When does the Trustee pay a Notice of Post-Petition Mortgage Fees, Expenses, and Charges?

Federal Rule of Bankruptcy Procedure 3002.1 applies in a Chapter 13 case to a claim secured by the debtor's principal residence when the plan provides for the Trustee or debtor to make payment on the debt. Under Rule 3002.1(c), the claim holder must timely file and serve a notice of asserted post-petition fees, expenses, and charges using Official Form 410S2. The Trustee reviews properly filed notices and administers allowed amounts as required by the plan, applicable rules, and court orders.

What happens at the end of a case involving a mortgage on the debtor's principal residence?

Rule 3002.1 was substantially amended effective December 1, 2025. Under Rule 3002.1(g), within 45 days after the debtor completes all payments due to the Trustee under the Chapter 13 plan, the Trustee must file Official Form 410C13-N, Trustee's Notice of Disbursements Made. The notice states the amounts the Trustee disbursed to cure any default and for obligations that came due during the case, and whether the Trustee's records show the default cured and the payments current. The claim holder must respond within 28 days using Official Form 410C13-NR. If a determination of final cure and payment is needed, the debtor or Trustee may timely file Official Form 410C13-M2 under Rule 3002.1(g)(4). Rule 3002.1(f) also permits the debtor or Trustee, before the end-of-case notice is filed, to seek a mortgage-status determination using Official Form 410C13-M1.

The debtor was paying the mortgage directly but fell behind after filing. Must the mortgage be brought into the plan?

Yes, unless the Court orders otherwise. D. Kan. LBR 3015(b).2(b) requires regular payments on a claim secured by the debtor's principal residence to be made through the Trustee if the debtor is delinquent on the petition date or becomes delinquent after the petition date. A permanent loan modification or other case-specific relief may support a request for different treatment.

5. Creditor Issues

A creditor has filed a motion for stay relief that has not yet been granted. Will the creditor continue to be paid?

Generally yes. The Trustee continues administering an allowed claim under the confirmed plan unless the Court orders otherwise or a confirmed or modified plan provides different treatment, such as surrender of the collateral.

A creditor purchased collateral protection insurance (CPI) after an insurance lapse. How can it seek reimbursement?

The Trustee's practice is to require appropriate plan treatment, a court order, or a stipulation establishing reimbursement. Merely amending a proof of claim to add CPI may result in an objection. Interest on the CPI component will not ordinarily be paid absent plan provisions or an order providing for interest.

When may a secured creditor seek attorney's fees from the debtor?

Section 506(b) may permit reasonable fees, costs, and charges to an oversecured creditor when the underlying agreement provides for them. For claims secured by the debtor's principal residence, Rule 3002.1 may govern notice of post-petition fees and expenses. Other creditors should seek allowance through an appropriate noticed request rather than simply adding attorney's fees to an amended proof of claim.

The plan misstates the mortgage arrearage or ongoing payment. Must the creditor object?

In a standard District of Kansas conduit case, the Trustee generally administers the allowed mortgage claim in accordance with the claim, the plan, and applicable local rules. Creditors should nevertheless review the plan and claim treatment and object when necessary to protect their rights.

Why is a personal-property creditor not receiving pre-confirmation adequate-protection payments?

Absent a court order providing otherwise, the Trustee pays pre-confirmation adequate protection as required by 11 U.S.C. § 1326(a)(1)(C), the applicable local rules, and the facts of the claim. If the Trustee cannot verify that the claim qualifies for pre-confirmation adequate-protection treatment, payment may be delayed pending clarification.

6. Tax Returns and Tax Refunds**When does the Trustee require tax returns?**

The Bankruptcy Code and the District of Kansas Local Bankruptcy Rules impose tax-return requirements in Chapter 13 cases; these are not merely Trustee preferences. Under 11 U.S.C. § 521(e)(2)(A) and Fed. R. Bankr. P. 4002(b)(3), the debtor must provide the Trustee, not later than seven days before the first date set for the § 341 meeting, a copy or transcript of the Federal income tax return for the most recent tax year ending before the bankruptcy case for which a return was filed. D. Kan. LBR 4002.1(a) also requires the debtor to provide the Trustee at least seven days before the § 341 meeting a complete copy of the most recent one year of Federal and State income tax returns filed pre-petition, where applicable.

In addition, 11 U.S.C. § 1308 requires a Chapter 13 debtor, not later than the day before the date on which the § 341 meeting is first scheduled, to file with the appropriate taxing authorities all tax returns required under applicable nonbankruptcy law for taxable periods ending during the four-year period ending on the petition date. Section 1308 permits the Trustee to hold the § 341 meeting open for a limited period to allow required returns to be filed. Compliance with § 1308 is a condition of confirmation under 11 U.S.C. § 1325(a)(9).

D. Kan. LBR 4002.1 further addresses unfiled returns and authorizes the Trustee to request copies of Federal and State income tax returns for pre-petition and post-petition tax periods for any year in which the case is pending, as well as the income-and-expenditure statement described in § 521(f)(4). The Trustee may make such requests when the information is relevant to income, liquidation value, tax refunds, plan performance, or other issues affecting administration of the case.

Does the Trustee require tax returns every year after confirmation?

Not in every case. The Trustee may request post-confirmation returns in business cases, cases involving a Lanning deviation, cases involving material income uncertainty, or other cases in which

updated tax information is relevant. The office may request returns for particular years rather than for every year of the plan.

What should be produced when the Trustee requests a tax return?

Provide a complete copy of the federal return and all applicable state returns, including schedules, W-2s, 1099s, and supporting schedules used to report personal or business income and expenses.

Does the Trustee have a tax-refund policy?

There is no automatic \$2,000 exemption or safe harbor. The Trustee reviews each case individually, considering the amount of the refund, liquidation value, allowed unsecured claims, projected distribution, and other relevant circumstances. As an administrative practice, the Trustee will often disclaim the estate's interest in refunds of less than \$2,000. A debtor seeking to retain a refund should submit a written request with the relevant federal and state returns or file an appropriate motion.

7. Post-Petition Claims, Special Classification, and Lanning Deviations

Can a debtor file a proof of claim for a post-petition creditor?

Generally no. Section 1305(a) authorizes the holder of a qualifying post-petition claim to file the proof of claim; it does not give the debtor the same right. If the creditor gives written consent authorizing debtor's counsel to file on its behalf, the Trustee generally will not object on that basis. Otherwise, the Trustee may object to a debtor-filed post-petition claim without prejudice to the creditor filing its own claim. VERIFIED: *CenturyTel of Northwest Arkansas, LLC v. Laymon* (In re Laymon), 360 B.R. 902, 904-05 (Bankr. E.D. Ark. 2007) (holding that only the holder of a § 1305 claim may file the post-petition proof of claim and that the debtor cannot force the creditor's participation).

When does the Trustee object to special classification of unsecured claims?

The Trustee may object when the plan does not explain how the specially classified claim will be paid or when the classification appears to discriminate unfairly in violation of 11 U.S.C. § 1322(b)(1). Counsel should be prepared to explain why the classification is fair and how it contributes to successful performance of the plan. A proposal to pay a special class in full while paying nothing to ordinary nonpriority unsecured creditors should be expected to receive close scrutiny.

How should a Lanning deviation be presented?

The Means Test should first be completed using the income and expense information required by the Bankruptcy Code and Official Forms. A claimed change from the historical calculation should then be clearly identified and itemized in the appropriate portion of Form 122C-2 and reflected in the plan as required. VERIFIED: *Hamilton v. Lanning*, 560 U.S. 505, 524 (2010) (permitting consideration of income or expense changes that are known or virtually certain at confirmation); In re Trickey, Case No. 20-20951, Doc. 159 (Bankr. D. Kan. Oct. 16, 2023) (requiring the statutory current-monthly-income calculation first and placing qualifying Lanning changes in Form 122C-2).

Can current income simply replace the statutory current-monthly-income period on the Means Test?

No. Current monthly income is determined under 11 U.S.C. § 101(10A) using the statutory historical period. A qualifying forward-looking adjustment is separately addressed under Lanning. VERIFIED: *Hamilton v. Lanning*, 560 U.S. 505, 524 (2010); In re Trickey, Case No. 20-20951, Doc. 159 (Bankr. D. Kan. Oct. 16, 2023).

How should a non-filing spouse's income be reported?

Official Form 122C-1 requires a married debtor with a non-filing spouse to report the non-filing spouse's income in Column B for lines 2 through 10 and then calculate any marital adjustment on line 13 for income that was not regularly paid for household expenses of the debtor or the debtor's dependents. The Trustee will object when the form reports only a selected household contribution instead of completing the spouse-income and marital-adjustment portions required by the Official Form.

8. Motions to Dismiss and Employer Pay Orders**When does the Trustee file a motion to dismiss for payment default?**

As an administrative guideline, the Trustee generally files a motion to dismiss in conduit cases when the debtor is at least one full plan payment delinquent. In non-conduit cases, the Trustee typically considers dismissal when the debtor misses two full payments within a six-month period. Cases with repeated delinquency may be reviewed even when the debtor later cures. These are administrative guidelines only; they do not create a grace period or modify the debtor's obligation to make payments when due.

Can an employer charge the debtor a fee for complying with an employer pay order (EPO)?

The Trustee's EPO instructs the employer not to deduct an administrative fee from the debtor's wages for compliance. The Trustee does not routinely audit every pay advice for such charges, so debtors should review their pay statements and promptly report any deduction to counsel and the Trustee's office.

9. Professionals and Attorney Fees**A debtor needs to hire another professional during the case. Is court approval required?**

A Chapter 13 debtor generally does not need prior court approval under 11 U.S.C. § 327 merely to retain counsel or another professional. Compensation and payments from property of the estate, however, remain subject to applicable disclosure and court-approval requirements, including 11 U.S.C. §§ 329 and 330 and Federal Rule of Bankruptcy Procedure 2016 when applicable. Counsel should disclose the engagement and compensation as required and obtain approval before estate funds are used to pay fees that require court approval. VERIFIED: *Morris v. King (In re Rosales)*, 621 B.R. 903, 922 & n.83 (Bankr. D. Kan. 2020).

Can debtor's attorneys be paid electronically?

Yes. Earned attorney fees can be paid by ACH to attorneys who have completed the Trustee office's electronic-payment setup.

10. Post-Petition Loans**Will the Trustee informally approve post-petition borrowing?**

As a general office practice, informal review is ordinarily limited to vehicle loans. For other post-petition borrowing - such as mortgage refinances, student loans, or retirement-plan loans - the debtor should generally file an appropriate motion unless the Trustee agrees that emergency circumstances justify another procedure.

What are the Trustee's general guidelines for informal vehicle-loan approval?

As general screening guidelines, the proposed debt should ordinarily be \$25,000 or less, the interest rate 20% or less, and the term five years or less. Meeting those guidelines does not guarantee approval, and unusual circumstances may justify different terms.

How do I request informal vehicle-loan approval?

Submit the proposed loan terms in writing, including the amount financed, interest rate, term, monthly payment, and collateral. The request may come from the debtor, counsel, lender, or dealership. The Trustee will review the case and respond in writing.

What does the Trustee consider when reviewing a vehicle-loan request?

The Trustee considers the proposed loan terms, the debtor's payment history, existing vehicles and their plan treatment, the remaining duration and posture of the case, and whether the debtor's current budget supports both the new debt and the Chapter 13 plan payment.

11. Funds on Hand and Unclaimed Funds**What happens to funds on hand when a Chapter 13 case is dismissed?**

The disposition of funds on dismissal depends on 11 U.S.C. § 1326(a)(2), the confirmed plan, applicable orders, allowed administrative claims, adequate-protection obligations, and the circumstances of the case. The Trustee will administer funds in accordance with the governing law and orders rather than treating this FAQ as a substitute for the statutory analysis.

What happens to funds on hand when a Chapter 13 case converts to Chapter 7?

Absent a bad-faith conversion or other circumstances requiring different treatment, undistributed post-petition wages held by the Chapter 13 trustee at conversion are returned to the debtor rather than distributed to creditors. VERIFIED: *Harris v. Viegeln*, 575 U.S. 510, 518-23 (2015).

What happens to unclaimed funds?

When a distribution cannot be delivered or a check remains unnegotiated, the Trustee follows the applicable Bankruptcy Code, Rules, court procedures, and office procedures for unclaimed funds. Depending on the circumstances, funds may be deposited with the Bankruptcy Court. Parties seeking funds deposited with the Court should consult the Court's current unclaimed-funds procedures and forms, including Official Form 1340 when applicable.

Questions about office procedure may be sent to inquiries@kstrustee.com.

www.kstrustee.com