

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Trevor David Hansen
SSN XXX-XX-2381
Cara Faye Hansen
SSN XXX-XX-4537

CHAPTER 7 CASE

CASE NO. 04-34330 DDO

Debtor.

NOTICE OF HEARING AND MOTION FOR RELIEF FROM STAY

TO: Debtor and other entities specified in Local Rule 9013-3(a).

1. Principal Residential Mortgage, Inc. (hereinafter "Secured Creditor"), by its undersigned attorney moves the Court for the relief requested below and gives notice of hearing herewith.

2. The Court will hold a hearing on this motion on September 8, 2004, at 9:30 a.m., or as soon thereafter as counsel can be heard, before the Honorable Dennis D. O'Brien in Courtroom 228A of the above entitled Court located at U.S. Courthouse, 316 North Robert Street, St. Paul, Minnesota.

3. Any response to this motion must be filed and delivered not later than September 2, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays and holidays), or served and filed by mail not later than August 27, 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, Federal Rule of Bankruptcy Procedure 5005 and Local Rule 1070-1. This proceeding is a core proceeding. The petition commencing this case was filed on July 27, 2004. The case is now pending in this Court.

5. This motion arises under 11 U.S.C. § 362 and Federal Rule of Bankruptcy Procedure 4001.

This motion is filed under Federal Rule of Bankruptcy Procedure 9014 and Local Rules 9013-1 - 9019-1. Movant requests relief from the automatic stay with respect to property subject to a lien. Movant requests said relief be effective immediately notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3).

6. Debtor is indebted to Secured Creditor in the original principal amount of \$24,225.00, as evidenced by that certain Promissory Note dated November 21, 2001, a copy of which is attached hereto as Exhibit "A", together with interest thereon.

7. Debtor's indebtedness is secured by a mortgage on real estate in which Debtor has an interest as evidenced by that certain mortgage deed dated November 21, 2001, executed by Trevor D. Hansen and Cara F. Hansen, husband and wife, recorded November 26, 2001, as Document No. 498172, a copy of which is attached hereto as Exhibit "B". The name and address of the original creditor is contained in the attached Exhibit "B". The property is located in Mower County, Minnesota and is legally described as follows to-wit:

Lot 7 and the East 7 feet of Lot 8, all in Block 8, Brown's Addition to the City of Austin, Mower County, Minnesota.

Secured Creditor is now the holder of said mortgage and is entitled to enforce the terms thereof.

8. At all times material, Debtor was in default of the payments and performance of obligations to Secured Creditor.

9. Pursuant to 11 U.S.C. § 362(g) the burden is on Debtor to prove absence of cause and/or adequate protection. This Secured Creditor's interest in the property is not adequately protected where, as of August 19, 2004, Debtor is delinquent in the making of monthly payments as required for the months of June, 2004 through August, 2004, inclusive, in the amount of \$313.74 each; accruing late charges and attorneys fees and costs of \$675.00. Debtor has failed to make any offer of adequate protection.

10. Debtor has no equity in the property and the property is not necessary to an effective organization. The value of the property as scheduled by Debtor is \$25,000.00 subject to Secured Creditor's mortgage in excess of \$23,060.12.

Considering selling costs of 10%, Debtor has no real equity in the property. Since this is a liquidation case, no reorganization is being attempted.

11. Secured Creditor desires to protect its interest in the aforementioned property and requests the Court to vacate the stay of actions and allow foreclosure pursuant to Minnesota law.

12. Secured Creditor has incurred and will incur legal fees and costs to protect and enforce its rights in the subject property.

WHEREFORE, Secured Creditor, by its undersigned attorney, moves the Court for an order for judgment that the automatic stay provided by 11 U.S.C. § 362(a) be modified so to permit the movant to commence mortgage foreclosure proceedings under Minnesota law and for such other relief as may be just and equitable.

Dated this 19th day of August, 2004.

WILFORD & GESKE

By /e/ James A. Geske
James A. Geske
Attorneys for Secured Creditor
7650 Currell Blvd., Suite 300
Woodbury, MN 55125
651-209-3300
Attorney Reg. No. 14969X

THIS COMMUNICATION IS FROM A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

6083329 NIS 8/4/2004
#110

NOTE

November 21, 2001
(Date)

AUSTIN
(City)

Minnesota
(State)

1207 8TH AVE NW, AUSTIN, MN 55912
(Property Address)

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 24,225.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is STERLING STATE BANK, Corporation

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 7.3750 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on January 1, 2002. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on December 1, 2016, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 1419 1ST AVE SW AUSTIN, MN 55912 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 222.85

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

01HANSEN, TREVR

6083329

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MULTISTATE FIXED RATE NOTE-Single Family-Finable New/Freddie Mac UNIFORM INSTRUMENT

Form 3200 1/01
VMP MORTGAGE FORMS - 2001/03-7/01

PAGE 1 OF 3

Initials: TDH
LTH



EXHIBIT A

NBS 854 2004
OFFICE OF COUNTY RECORDER
MOWER COUNTY MINNESOTA

DOCUMENT NO. 498172

I hereby certify that the within instrument was filed in this office for record on 11/21/2001 at 4 AM PM
Susan M. Davis, County Recorder

Jill Coates
Deputy

32398
REGISTRATION TAX HEREON OF \$ 55.24
PAID THIS 26th DAY OF NOV 2001
Susan M. Davis CO. TREAS.

[Space Above This Line For Recording Data] 6083329

MORTGAGE

Return To:

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated November 21, 2001, together with all Riders to this document.

01HANSEN, TREVR 6083329
MINNESOTA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

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Form 3024 1/01

1010-1(MN) (0000)

Page 1 of 16 MW 0500

Index: JPA

VMP MORTGAGE FORMS - (800)521-7267



EXHIBIT B

(B) "Borrower" is TREVOR D. HANSEN and CARA F. HANSEN, Husband and Wife

Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is STERLING STATE BANK, Corporation

Lender is a Corporation
organized and existing under the laws of Minnesota
Lender's address is 1419 1ST AVE SW, AUSTIN, MN 55912

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated November 21, 2001
The Note states that Borrower owes Lender Twenty Four Thousand Two Hundred Twenty
Five and no/100 Dollars
(U.S. \$24,225.00) plus interest. Borrower has promised to pay this debt in regular Periodic
Payments and to pay the debt in full not later than December 1, 2016

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the
Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges
due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following
Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|--|---|--|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input checked="" type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations,
ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final,
non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other
charges that are imposed on Borrower or the Property by a condominium association, homeowners
association or similar organization.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by
check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic
instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit
or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller
machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse
transfers.

(K) "Escrow Items" means those items that are described in Section 3.

01HANSEN, TREVR

6083329

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Initials: THH
CFH

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns, with power of sale, the following described property located in the _____ COUNTY [Type of Recording Jurisdiction]

of _____ MOWER [Name of Recording Jurisdiction]:
LOT 7 AND THE EAST 7 FEET OF LOT 8, ALL IN BLOCK 8, BROWN'S ADDITION TO
THE CITY OF AUSTIN, MOWER COUNTY, MINNESOTA.

Parcel ID Number: 34.105.0790
1207 8TH AVE NW
AUSTIN
("Property Address"):

which currently has the address of _____ [Street]
(City), Minnesota 55912 [Zip Code]

01HANSEN, TREVR

6083329

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01HANSEN (0008)

Page 3 of 15

Initials: TDH
CFH

Form 3024 1/01

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

Trevor D. Hansen (Seal)
TREVOR D. HANSEN -Borrower

Cara F. Hansen (Seal)
CARA F. HANSEN -Borrower

(Seal)
-Borrower

01HANSEN, TREVR

6083329

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STATE OF MINNESOTA,

MOWER County ss:

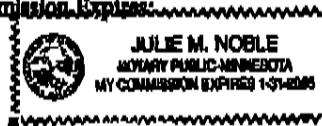
On this 21 day of November, 2001, before me appeared
TREVOR D. HANSEN and CARA F. HANSEN, Husband and Wife

to me personally known to be the person(s) described in and who executed the foregoing instrument and
acknowledged that he/she/they executed the same as his/her/their free act and deed.

Julie M. Noble

Notary Public

My Commission Expires:



This instrument was drafted by:
STERLING STATE BANK
1419 1ST AVE SW
AUSTIN, MN 55912

Tax statements for the real property described in this instrument should be sent to:

01HANSEN, TREVR

6083329

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8310-4(MN) (0001)

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Initials: TDH
CFH

Form 3024 1/01

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

CHAPTER 7 CASE

Trevor David Hansen
SSN XXX-XX-2381
Cara Faye Hansen
SSN XXX-XX-4537

CASE NO. 04-34330 DDO

Debtor.

**MEMORANDUM IN SUPPORT OF
MOTION FOR RELIEF FROM STAY**

ARGUMENT

I. CAUSE EXISTS FOR THE GRANTING OF RELIEF FROM THE AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(d)(1) WHERE THE INTEREST OF THIS SECURED CREDITOR IS NOT ADEQUATELY PROTECTED.

Pursuant to 11 U.S.C. § 362(g) the burden is on Debtor to prove absence of cause and/or adequate protection. Secured Creditor's interest in the property is not adequately protected where:

1. As of August 19, 2004, Debtor is delinquent for the monthly payments as required for the months of June, 2004 through August, 2004, in the amount of \$313.74 each; accruing late charges and attorneys fees and costs of \$675.00.

2. Debtor has failed to make any offer of adequate protection.

II. THE AUTOMATIC STAY SHOULD BE MODIFIED PURSUANT TO 11 U.S.C. § 362(d)(2) WHERE (1) DEBTOR DOES NOT HAVE ANY EQUITY IN THE PROPERTY, AND (2) THE PROPERTY IS NOT NECESSARY TO AN EFFECTIVE REORGANIZATION.

The first requirement under § 362(d)(2) is met where the total of all the encumbrances against the property is in excess of the value of the property. The value of the property as scheduled by Debtor is \$25,000.00 subject to Secured Creditor's mortgage in excess of \$23,060.12.

Considering selling costs of 10%, Debtor has no real equity in the property. Since this is a liquidation

case, no reorganization is being attempted.

CONCLUSION

Secured Creditor is entitled to relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(1) for cause, and where its interest in the secured property is not adequately protected. Secured Creditor is also entitled to relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(2) where Debtor has no equity in the property, and where the property is not necessary to an effective reorganization.

Secured Creditor respectfully requests an Order of this Court modifying the automatic stay consistent with the attached proposed Order.

Dated this 19th day of August, 2004.

WILFORD & GESKE

By /e/ James A. Geske

James A. Geske
Attorneys for Secured Creditor
7650 Currell Blvd., Suite 300
Woodbury, MN 55125
651-209-3300
Attorney Reg. No. 14969X

A. Note Number xxxx3290 in the original principal amount of \$24,225.00, dated November 21, 2011. Executed

by Original Mortgagor(s):

Trevor D. Hansen
Cara F. Hansen

to Sterling State Bank, Corporation.

B. Debtors are in default on their obligations to Fannie Mae in that Debtors have failed to make their installment payments when due and owing pursuant to the terms of the above-described Note.

C. As of August 10, 2004, the total indebtedness was \$22,382.99. Debtors are in default on 3 contractual payments (June 2004 through and including August 2004 payments). The amount of the current monthly mortgage installment payment is \$313.74, and the monthly late charge is \$11.14.

5. By failing to make the regular monthly installment payments due pursuant to the Note, Debtors have not provided adequate protection to Fannie Mae.

6. Fannie Mac has had to retain counsel to represent it before this Court and is incurring legal expenses and attorneys' fees for which it is entitled to reimbursement under the terms of its Note.

The foregoing facts are of my own personal knowledge and belief, and if called upon to appear as a witness, I could, and would, testify competently thereto. I declare under penalty of perjury that to the best of my knowledge the foregoing facts are true and correct.

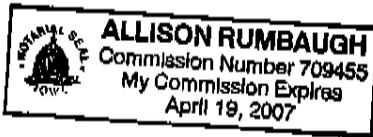
Principal Residential Mortgage, Inc.

By: [Signature]
Jeff Chavannes
Bankruptcy Representative

DATED: 8.12.04

SUBSCRIBED AND SWORN TO BEFORE ME on 8.12.04, 2004.

[Signature]
Notary Public in and for the State of IA



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

CHAPTER 7 CASE

Trevor David Hansen
SSN XXX-XX-2381
Cara Faye Hansen
SSN XXX-XX-4537

CASE NO. 04-34330 DDO

Debtor.

**UNSWORN DECLARATION
FOR PROOF OF SERVICE**

Diana Waletzko, employed by Wilford & Geske, attorneys licensed to practice law in this Court, with office address at 7650 Currell Blvd., Suite 300, Woodbury, Minnesota, declares that on August 19, 2004, I served the annexed Notice of Hearing and Motion for Relief from Stay, Memorandum in Support of Motion for Relief, Affidavit of Jeff Chavannes, and proposed Order to each person referenced below, a copy thereof by enclosing the same in an envelope with first class mail postage prepaid and depositing the same in the post office at Woodbury, Minnesota addressed to each of them as follows:

Trevor D. Hansen
Cara F. Hansen
906 14th Avenue SE
Austin, MN 55912

Charles W. Ries
Maschka Riedy & Ries PLLP
PO Box 7
Mankato, MN 56002-0007

Dean K. Adams
Adams Rizzi & Sween PA
300 1st St NW
Austin, MN 55912

U.S. Trustee
1015 U.S. Courthouse
300 South 4th Street
Minneapolis, MN 55415

Principal Residential Mortgage, Inc.
c/o Brice, Vander Linden & Wernick, P.C.
P.O. Box 829009
Dallas, TX 75382-9009

And I declare, under penalty of perjury, that the foregoing is true and correct.

Dated this 19th day of August, 2004.

/e/ Diana Waletzko
Diana Waletzko

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

CHAPTER 7 CASE

Trevor David Hansen
SSN XXX-XX-2381
Cara Faye Hansen
SSN XXX-XX-4537

CASE NO. 04-34330 DDO

Debtor.

ORDER

The above entitled matter came on for hearing upon motion of Principal Residential Mortgage, Inc. (hereinafter "Secured Creditor"), pursuant to 11 U.S.C. § 362 on September 8, 2004, at U.S. Courthouse, 316 North Robert Street, St. Paul, Minnesota. Appearances were as noted in the record. Based upon the evidence adduced at said hearing, the arguments of counsel, and the Court being fully advised of the premises,

IT IS HEREBY ORDERED that Secured Creditor, its assignees and/or successors in interest, is granted relief from the stay of actions imposed by 11 U.S.C. § 362 with regard to that certain mortgage deed dated November 21, 2001, executed by Trevor D. Hansen and Cara F. Hansen, husband and wife, recorded November 26, 2001, as Document No. 498172 covering real estate located in Mower County, Minnesota, legally described as follows, to-wit:

Lot 7 and the East 7 feet of Lot 8, all in Block 8, Brown's Addition to the City of Austin, Mower County, Minnesota

and may pursue its remedies under state law in connection with the subject note and mortgage deed.

Notwithstanding Federal Rules of Bankruptcy Procedure 4001(a)(3),

this Order is effective immediately.

Dated: _____

Judge of Bankruptcy Court