



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

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St. Paul, MN 55101
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Fergus Falls, MN 56537
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Gerald W. Heaney Federal Building & U.S. Courthouse & Customhouse
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Duluth, MN 55802
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January 28, 2022

PUBLIC NOTICE

PROPOSED AMENDMENTS FOR NEW LOCAL RULE 3002.1-1

The United States Bankruptcy Court for the District of Minnesota is issuing for public comment proposed amendments for a new Local Rule 3002.1-1, Notice of Payment Change Procedure for Holders of Home Equity Lines of Credit (HELOC).

Proposed new Local Rule 3002.1-1 is intended to help HELOC claim holders comply with Fed. R. Bankr. P. 3002.1. The text of proposed new Local Rule 3002.1-1 is provided below:

[Rule 3002.1-1 Notice of Payment Change Procedure for Holders of Home Equity Lines of Credit \(HELOC\).](#)

[If a claim arises from a home equity line of credit \(HELOC\), the claim holder may elect to use the following procedure to comply with the requirements of Fed. R. Bankr. P. 3002.1\(b\)\(1\):](#)

- (a) [The claim holder must file and serve on the debtor, debtor's counsel, and the trustee a notice of payment change on the first day of December and June of each year following the petition date. The notice of payment change must include:](#)
 - (1) [The current monthly payment amount; and](#)
 - (2) [The history of payment changes since the last filed notice of payment change or since the filing of a proof of claim.](#)
- (b) [The claim holder must send the debtor monthly payment statements consistent with the terms of the HELOC. These monthly statements must notify the debtor of any payment changes under the HELOC that may occur between the filing of the notices of payment change in subsection \(a\).](#)

- (c) If the petition date is less than 30 days before either the first day of December or June of the petition year, the first notice of payment change must be filed on or before the next reporting date.
- (d) The debtor will retain its rights under Fed. R. Bankr. P. 3002.1(b)(2).

[Adopted effective --, 2022.]

2022 Advisory Committee Notes

New Local Rule 3002.1-1 was adopted to assist creditors in complying with Fed. R. Bankr. P. 3002.1, which currently requires lenders to file a notice of payment change at least 21 days before the payment change takes effect. There have been issues with HELOC loans that have variable rates that change monthly; requiring monthly notices to be filed with the court, making it challenging for a creditor to file the Notice of Payment change monthly.

Comments should be provided in writing to the Clerk of Court at bankruptcypracticecommittee@mn.uscourts.gov. The Court will consider adoption of the proposed amendments after reviewing any comments or suggestions submitted on or before March 4, 2022.