



SOUTH & ASSOCIATES, P.C.

MEMORANDUM

To: All Western Kansas Loan Servicers

From: South & Associates, P.C.

Date: August 13, 2008

Subject: Standing Order 08-1 Effective October 1, 2008

South & Associates, P.C. issued a memorandum in April advising all Servicers of a proposed Standing Order in Kansas requiring conduit payments for all mortgage loans on a debtor's principal residence. That Standing Order is no longer *proposed*, but is *final* effective October 1, 2008 (with some minor changes to the original language).

As part of our commitment to outstanding customer service and to help you prepare for this change we have highlighted the six most important requirements. The entire Standing Order and below referenced forms are attached to this memo.

1. Servicers must file a Proof of Claim before the Trustee will disburse post-petition conduit payments. Servicers must attach the "Addendum for Residential Home Mortgage Debt Paid Through the Chapter 13 Trustee" form.
2. Servicers must notify the Trustee, Debtor and Debtor's Counsel 45 days prior to the effective date of any change to a post-petition payment amount, including escrow changes and interest rate changes in a document that conforms with either the "Notice of Payment Change Due to Escrow Analysis" or "Notice of Payment Change due to Adjusted Rate Mortgage" form.
 - *An Exception to this requirement is available if the interest rate or payment term is subject to frequent changes that make compliance with this requirement impracticable or burdensome. Note: The Servicer MUST file a Motion to Exempt from Compliance in order to apply.*
3. Servicers must notify the Trustee, Debtor and Debtor's Counsel at least 45 days prior to a change in the Servicer's name or address in a document that conforms with the "Notice of Transfer of Servicing and Claim" form.



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4. Servicers must notify the Trustee, Debtor and Debtor's Counsel within 30 days after any post-petition advance, fee or charge is incurred in a document that conforms with the "Real Property Creditor's Notice of Advance or Other Contractual Expense" form.
5. Servicers must submit to the Trustee, Debtor and Debtor's Counsel on or before the 10th day of January of every year during the pendency of Debtor's Chapter 13, a 12-month loan transaction history in a document that conforms with the "Model Mortgage Payment History" form.
6. Servicers must mail the Trustee a copy of ALL correspondence, notices, statements, payment coupons, escrow notices, etc concerning any change in the payment amount.

Please direct all questions or comments to Steven Crouch, Managing Bankruptcy Attorney at South & Associates, P.C. at (913) 663-7633 or Steven.Crouch@Southlaw.com.

Sincerely,

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