

Best Practices
Individual/Consumer
Chapter 13 Scenario

Meet Jerry and Lucinda Jones:

Mrs. Jones is self-employed as a stay-at-home mom and farmer. Mr. Jones believes himself to be an accomplished real estate investor. Mr. Jones works for Cleveland Clinic in their IT department and he grosses \$6500.00 per month with payroll deductions of \$2750.00, all of which are mandatory. He is paid weekly. Mrs. Jones grosses about \$1000.00 selling produce and farm animals. She has expenses for the business of about \$500.00 per month for feed and other farming essentials.

The family owns three properties: 16351 Hart Rd., Montville, OH 44256 (their residence); 9841 Ledgemont Ave., Windham, OH 44288; and 9941 Bomber Dr., Windham, OH 44288.

Their residence is encumbered by a first mortgage to JPMorgan Chase, which includes taxes and insurance, a judgment lien to Landmark National II, and a second mortgage to Countrywide. The Countrywide loan was used to invest in their farm. They are behind on the JP Morgan Chase mortgage about one month or \$1000.00.

They are currently renting 9841 Ledgemont Ave., Windham, OH 44288 to a nice family for \$800.00 per month. They pay the mortgage, taxes and insurance for a total of \$600.00 per month. They are delinquent on the property taxes for tax arrearages totaling \$1000.00, but otherwise current on the mortgage.

They've had difficulty keeping a tenant at 9941 Bomber Dr., Windham, OH 44288, but they have finally located one, and they are currently renting the home for \$600.00. The mortgage payment includes the taxes and insurance and the total cost of the mortgage is \$650.00 per month. They are current on the property taxes, insurance, and the mortgage.

The husband has a 2012 Toyota Rav4 in his name and wife has a 2005 Ford S-10 pick-up truck in her name. The Rav4 was purchased in 2011 and has a lien with Cardinal Community Credit. The Ford S-10 has a lien with Ford Credit for \$2000.00, and they are slightly behind, about \$100.00 or 1 payment.

They owe the State of Ohio \$3000.00 for their income taxes from 2013 and owe about \$33,000.00 to unsecured creditors.

They have never filed a bankruptcy before. They have one daughter, age 8.