

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

In re:) Case No. 05-97204
)
AMY N. AMBROZ,) Chapter 7
)
Debtor.) Judge Arthur I. Harris

ORDER THAT COURT WILL DISAPPROVE REAFFIRMATION
AGREEMENTS UNLESS BY MARCH 28, 2006, (1) THE DEBTOR FILES
AMENDED VERSIONS OF PART D-1 OF THE AGREEMENTS, AND
(2) A PARTY IN INTEREST FILES A REQUEST FOR AN EVIDENTIARY
HEARING

On February 1, 2006, two reaffirmation agreements (Dockets #9 & #10) were filed with the Court. In one agreement, the debtor proposed reaffirming \$1,000 in secured debt owed to Dell Financial Services. The debt is secured by computer equipment. The debtor agrees to pay \$50 per month for 20 months at 0 percent interest. In the second agreement, the debtor proposed reaffirming \$1,400 in unsecured debt owed to Discover Financial, Inc. The debtor agrees to pay \$50 per month for 28 months at 0 percent interest. On February 9, 2006, the Court issued an order (Docket #13), which identified inconsistencies between the reaffirmation agreements and the debtor's schedules and which indicated that the reaffirmation agreements may not be effective under revised 11 U.S.C. § 524. The order granted the debtor leave until March 1, 2006, to amend or supplement the reaffirmation agreements. No amendments or supplements have been filed.

On March 1, 2006, another reaffirmation agreement (Docket #17) was filed with the Court. In this agreement, the debtor proposes reaffirming \$979.36 of debt secured by hunting equipment. The debtor agrees to pay \$29 per month at 0 percent interest for 34 months.

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 109-8, extensively revised 11 U.S.C. § 524. These revisions apply to the proposed reaffirmation agreements. Under revised section 524, reaffirmation agreements (1) may be effective regardless whether the Court believes the agreement is in the debtor's best interest, (2) may be effective only with Court approval and/or a hearing before the Court, or (3) may be effective unless the Court disapproves the agreement after notice and a hearing, depending upon the circumstances.

In the present case, the debtor has not filed amended versions of Part D-1 of the reaffirmation agreements that are consistent with each other and with the debtor's Schedules I and J. Therefore, the Court cannot determine whether there is a presumption of undue hardship or whether the presumption has been rebutted "to the satisfaction of the Court" as required under subsection 524(m). Moreover, as stated in the Court's previous order, the debtor's Schedules I and J indicate monthly income of \$2,812 and monthly expenses of \$2,778, leaving a net of only

\$34 per month, which is less than the \$129 per month in additional debt to be reaffirmed.

Accordingly, the Court will disapprove the reaffirmation agreements (Dockets #9, #10, & #17) unless by March 28, 2006, (1) the debtor files amended versions of Part D-1 of the agreements, and (2) a party in interest files a request for an evidentiary hearing. In addition, the Court will defer any entry of the debtor's discharge until after it issues a final ruling under subsection 524(m).

IT IS SO ORDERED.

/s/ Arthur I. Harris 3/7/06
Arthur I. Harris
United States Bankruptcy Judge