

D.N.J. LBR 1019-1 CONVERSION - PROCEDURE FOLLOWING

- (a) Upon conversion of a chapter 13 case to a case under chapter 7, the chapter 13 trustee shall distribute any funds on hand to the ~~chapter 7 trustee by check made payable to the debtor~~ unless otherwise ordered by the Court.
- (b) Upon conversion of a chapter 13 case to a case under chapter 11, the chapter 13 trustee shall distribute any funds on hand to the debtor in possession or the chapter 11 trustee.

1997 Comment: Formerly Local Rule 34.

Reference: 11 U.S.C. § 1307 Conversion or dismissal; Fed. R. Bankr. P. 1017(d) Dismissal or Conversion of Case; Suspension; 11 U.S.C. § 704 Duties of trustees 11 U.S.C. § 1106 Duties of trustee and examiner; 11 U.S.C. § 1107 Rights, powers and duties of debtor in possession.

2003 Comment: This rule is inconsistent with 11U.S.C. § 348(f)(1)(a) in that payments made to the standing trustee after the petition date would not constitute property of the estate and should be payable to the debtor. Since the 1994 Amendments to § 348 of the Bankruptcy Code, trustees no longer follow the procedure outlined in the local rule after conversion of a chapter 13 case to a chapter 7. The funds are now refunded directly to the debtor by the chapter 13 trustee's office.