

OFFICE OF THE CHAPTER 13 STANDING TRUSTEE - DETROIT TAMMY L. TERRY

Tammy L. Terry, Trustee
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To: Attorneys Practicing in the United States Bankruptcy Court
Eastern District of Michigan

The office of Tammy L. Terry, Chapter 13 Trustee, is now able to implement preauthorized payments (ACH payments) for cases assigned to it.

To implement this process:

1. The Court must enter an Order allowing plan payments to be made by electronic transfer of funds. The Court's form Stipulation and Order Excusing Entry of Third Party Payment Order and Order to Debtor to Remit Payments to Chapter 13 Trustee by Electronic Transfer of Funds can be found on the Court's web site at <http://www.mieb.uscourts.gov/rulesAndForms/localForms.html> .
2. The debtor(s) must complete and submit to the Trustee the Trustee's form Authorization Agreement for Preauthorized Payments (ACH), which can be found on the Trustee's web site, <http://www.det13.net/library.shtml> . The Trustee is unable to implement this process unless this form is filled out completely and signed by each person who is a named owner or holder on the account from which the payments are to be deducted, regardless of whether that person is a debtor or not.
3. If the case is filed by joint debtors but the account from which the ACH transfer is to occur is in the name of one debtor only (or one debtor plus one or more non-debtor third parties), the Authorization Agreement for Preauthorized Payments (ACH) must be signed by both joint debtors as well as any other named owner or holder on the account. In joint cases, the Trustee is not able to implement any Authorization Agreement for Preauthorized Payments (ACH) signed by only one of the debtors.

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Helpful tips for completing the Trustee's form Authorization Agreement for Preauthorized Payments (ACH):

- The completed form Authorization Agreement for Preauthorized Payments (ACH) should be submitted to the Trustee via United States Mail, courier or similar delivery method (e.g. Federal Express, UPS). **Please do not file the completed Authorization Agreement with the Court.**
- Fill in all of the requested information. The Trustee is not able to implement ACH transfers if the form has blanks or is incomplete or illegible.
- Make sure to include the complete and accurate Transit/ABA Number and Account Number for the account from which payments are to be withdrawn. If the debtor will be designating a checking account, this information can be located on the lower left portion of a check. If you prefer, you can staple a "voided" check to the form.
- If the debtor will be designating a savings account, the Transit/ABA Number and Account Number do not appear on a savings account deposit or withdrawal ticket. The debtor should contact the financial institution and obtain that information.
- Please indicate the date on which the debtor wants the payments deducted. The Trustee can accommodate only two possible dates per month, the 5th and the 17th. We are not able to accommodate special requests for withdrawals on any other dates.
- The debtor is required to make all plan payments that come due prior to the implementation of the ACH process. We do not have the ability to make ACH retroactive or to "catch up" missed payments.
- Please have the debtor(s) carefully review the Participation Rules of the Automatic Bank Draft Program which are attached to the Trustee's form Authorization Agreement.
- If the debtor desires to cancel the ACH Authorization Agreement, there is a form Authorization for Termination of Preauthorized Payments which the debtor(s) should complete and have signed by all the debtor (both debtors in a joint case) and all other named owners or holders on the account. The form Authorization for Termination of Preauthorized Payments attached to the Trustee's form Authorization Agreement, and can also be found on the Trustee's web site, <http://www.det13.net/library.shtml> .

If you have any questions or if you need any further information on the ACH process or the Trustee's implementation of that process, please contact **Janet Porch** by e-mail at porchj@det13.net .