Guide to Major Changes to Bankruptcy Rule 3002.1

John Rao
National Consumer Law Center
October 28, 2025

Bankruptcy Rule 3002.1 was adopted in 2011 in response to long-standing problems with mortgage servicing in chapter 13 cases. It requires mortgage creditors to disclose during the case changes to the debtor's payment amount from escrow and interest rate adjustments and any postpetition fees and expenses charged to the debtor, and it establishes a procedure to resolve fee disputes and to determine whether the debtor has fully cured a mortgage default. It is intended to give the debtor information needed to successfully complete a cure plan and emerge from chapter 13 without being surprised by undisclosed fees and payment amounts due.[1]

While there have been several amendments to Rule 3002.1 over the years, the most significant changes to the rule will take effect on December 1, 2025. As discussed more fully below, the revised rule:

a) Broadens coverage of the rule, clarifying that it applies to reverse mortgages and also mortgages that may be modified and paid in full during the plan term;
b) Adopts a specific procedure for treatment of HELOC payment changes;
c) Provides a sanction when a creditor does not give a timely payment change notice;
d) Establishes a procedure for the court to determine the status of a mortgage claim at any time during the chapter 13 case, and requires use of new Official Forms;
e) Revises the procedure for court determination of a final cure, including new Official Forms, and the entry of an appropriate order;
f) Clarifies that for violations of the rule, the court may, in addition to the listed sanctions, take any other action authorized by the rule.

1. Coverage of Rule 3002.1

Existing Rule 3002.1 applies to claims (1) secured by a security interest in the debtor's principal residence and (2) "for which the plan provides that either the trustee or the debtor will make contractual installment payments." Effective December 1, 2025, the words "contractual

[1] *E.g.*, *In re* Thongta, 480 B.R. 317, 319 (Bankr. E.D. Wis. 2012) ("With the enactment of Rule 3002.1, courts nationally are able to ensure that debtors who successfully complete 'cure and maintain' Chapter 13 plans emerge from bankruptcy with either a fully current home mortgage or the knowledge of and ability to object to any claimed amounts due.").

installment" are deleted from Rule 3002.1(a), so that the rule applies to a principal residence claim "for which the plan provides for the trustee or debtor to make payments on the debt."[2] This change clarifies coverage of the rule as follows:

Reverse Mortgages

Before the 2025 amendment, it was not clear whether Rule 3002.1 applied to reverse mortgages, because the rule stated that the plan must provide for "installment" payments on the claim. While a borrower is not required to make monthly installment payments on a reverse mortgage to repay the debt, the mortgage contract requires the borrower to pay property-related expenses such as taxes and insurance. To clarify that the rule applies to reverse mortgages, the word "installment" was deleted from Rule 3002.1(a), effective as of December 1, 2025.[3] Thus, the amendment makes clear that a servicer of a reverse mortgage must comply with Rule 3002.1 when, for example, a debtor proposes in a chapter 13 plan to cure a default based on the failure to pay property-related expenses. The change also extends the rule coverage to nontraditional home secured loans that require the borrower to pay similar expenses, such as home equity "investment" (HEI) loans.

Paid in Full Claims

Another question about Rule 3002.1's application before 2025 concerned whether it applied when a debtor is permitted to modify a home secured claim. This may occur when the claim is subject to section 1322(c)(2) or another exception to the anti-modification provision in section 1322(b)(2), and the debtor's plan provides that the creditor's bifurcated secured claim is being paid in full under section 1325(a)(5).[4] Before 2025, courts had held that the debtor's plan payments in this situation are not contractual payments and therefore Rule 3002.1 did not apply. [5]

By deleting the word "contractual" from Rule 3002.1(a), the rule now applies whenever a home secured claim is being paid under a plan, even if contractual payments are not being made. The 2025 Advisory Committee Note to Rule 3002.1(a) states: "The deletion of 'contractual' is intended to make the rule applicable to home mortgages that may be modified and are being

---

[2] Fed. R. Bankr. P. 3002.1(a).

[3] The 2025 Advisory Committee Note to Rule 3002.1(a) states: "The word 'installment' is deleted to clarify the rule's applicability to reverse mortgages." *See* National Consumer Law Center, *Consumer Bankruptcy Law and Practice*, Appx. B (14th ed. 2025), updated at www.nclc.org/library.

[4] *See* NCLC's *Consumer Bankruptcy Law and Practice* § 11.6.1.

[5] *Id*. at § 11.6.2.8.2.2.

paid according to the terms of the plan rather than strictly according to the contract, including mortgages being paid in full during the term of the plan."

Although home secured claims are not frequently modified in chapter 13 cases, this is a significant change that requires some consideration to avoid unintended consequences. When a mortgage claim is modified and treated under section 1325(a)(5) under a plan, payments on the allowed secured claim are typically made in equal monthly amounts, with interest determined under section 1325(a)(5)(B)(ii), rather than the contract rate, to provide the creditor with an amount whose total present value is not less than the allowed claim.[6] Payments are made in this manner even if the debtor has a variable interest rate mortgage contract that requires periodic interest rate and payment adjustments. The debtor's plan might also provide for termination of any escrow account on the modified mortgage and for payment of escrow items such as taxes and property insurance directly by the debtor. If the creditor sends payment change notices based on the contract terms in order to comply with Rule 3002.1, the information in the notices will be contrary to the debtor's plan and will likely confuse the debtor. To avoid payment of amounts not required by the plan, the debtor's plan may include a nonstandard plan provision stating that that the creditor should not file and serve payment change notices under Rule 3002.1(b) based on the contract terms.

2. Notice of HELOC Payment Change

After Rule 3002.1 went into effect in 2011, some mortgage servicers suggested that compliance with the payment change notice requirements is overly burdensome for a Home Equity Line of Credit (HELOC), because the payments on such mortgages may change monthly. In response to this concern and to give courts flexibility to deviate from the requirements, Rule 3002.1(b) was first amended in 2018 to provide that the notice requirements for HELOCs "may be modified by court order." If a court modified the payment change requirements, such as by permitting payment change notices on HELOCs to be sent biannually or annually, rather than at the time of every change, the rule required that any modifications be set out in a court order.[7]

Effective December 1, 2025, the rule is amended to add specific notice requirements for HELOCs in Rules 3002.1(b)(2). In addition, the 2018 amendment that had given authority to courts to modify the requirements for HELOCs was deleted.

Rule 3002.1(b)(2) now provides that if a claim arises from a HELOC, a payment change notice must be filed and served either (1) in the same manner as other claims as provided in Rule 3002.1(b)(1), or (2) within one year after the chapter 13 petition is filed, and then at least annually. The amendment eases compliance requirements for HELOC creditors by giving them

---

[6] *See* NCLC's Consumer Bankruptcy Law and Practice § 11.6.1.3.3.
[7] *Id*.

the option to send annual notices, but only if certain conditions apply. If the monthly payment increases or decreases by more than $10 in any month, the creditor must file and serve a notice under Rule 3002.1(b)(1) for that month, in addition to providing the annual notices. Also, if an annual statement is sent, it must include a reconciliation amount that accounts for any payment changes that were $10 or less in any months during the prior year.

If a HELOC creditor elects to send an annual notice, it must include the following information on Official Form 410S1: the payment amount due for the month when the notice is filed, a reconciliation amount to account for any overpayment or underpayment during the prior year, and the new monthly payment amount, not including the reconciliation amount.

For example, assume that when the creditor prepares the annual notice and applies the contract payment adjustments for each month during the prior year, the creditor determines that the debtor's actual monthly payments resulted in an underpayment of $90 and that the debtor's new monthly payment amount for the next year is $500. If the creditor files and serves the annual notice on April 5 and payments are due on the first of the month, the debtor's first payment that is due on May 1 will be $590 (new monthly payment plus reconciliation amount), and then the debtor's monthly payment will return to $500 per month on June 1 and for the balance of the year (assuming the monthly payment does not increase or decrease by more than $10 in any month or no new notice becomes effective).

3. Sanction for Untimely Payment Change Notice

Rule 3002.1(b)(3), effective December 1, 2025, addresses the effect of a payment change notice that is not timely filed and served as required by Rule 3002.1(b)(1) or (2). When an untimely notice is eventually filed and served and indicates that the debtor's payment has increased, the first payment due date must be at least 21 days after the untimely notice is filed and served. When an untimely notice indicates that the debtor's payment has decreased, the first payment is due on the actual payment due date based on the contract terms of the mortgage account, even if this date is earlier than when the untimely notice is filed and served.

The Advisory Committee Note refers to Rule 3002.1(b)(3) as "a sanction for noncompliance" with the requirement to provide timely payment change notices. Because it is intended as a sanction, it should mean that the creditor cannot seek reimbursement from the debtor for any underpayment resulting from an untimely notice. Similarly, the creditor should issue a credit to the account or a refund to the debtor or the trustee (if trustee is disbursing mortgage payments) for any overpayment.

For example, assume that a creditor increases the debtor's monthly payment due from $900 to $975 based on the contract terms, effective August 1, 2025. However, the creditor does not file and serve a notice of the change until November 5, 2025, instead of early July as required by

the Rule. Rule 3002.1(b)(3)(A) provides that this payment change does not go into effect until December 1, 2025, at the earliest (preventing the creditor from ever recovering the underpayment resulting from the lower $900 payment made between August 1 and November 30). If this untimely notice filed on November 5 indicates that the debtor's payment instead has decreased to $850, Rule 3002.1(b)(3)(B) provides that this payment change went into effect on August 1 (entitling the debtor to a refund or credit for any months that the debtor paid more than $850).

4. Motion to Determine Status

While Rule 3002.1 has given debtors information needed to cure defaults and maintain postpetition payments, by requiring creditors to disclose all payment changes and fees they assert the debtor must pay, it has not specifically addressed other payment issues. For example, the rule has not required information about whether a creditor has received monthly payments from the debtor or trustee during the case or has properly applied those payments to the mortgage account. To assist the debtor or trustee in getting this information, new Rule 3002.1(f), effective December 1, 2025, creates a procedure for determining the status of a mortgage claim during the chapter 13 case. At any time after the case is filed and until the trustee files the end-of-case notice of disbursements under Rule 3002.1(g)(1), the trustee or debtor may file a motion to determine the status of the claim.

The motion to determine status must be prepared using new Official Form 410C13-M1. This form, the "Motion Under Rule 3002.1(f)(1) to Determine the Status of the Mortgage Claim," instructs the trustee or debtor to list in paragraph 2 the amount of payments disbursed to cure any arrearages as of the date of the motion. The trustee or debtor may also list the amount of any payments disbursed for postpetition fees, expenses, and charges (in paragraph 3) and any payments made on other postpetition obligations (in paragraph 4). The relief requested in the form motion (in paragraph 6) is for an "order under Rule 3002.1(f)(3) determining the status of the mortgage claim addressed by this motion and whether the payments required by the plan to be made as of the date of this motion have been made."

The motion to determine status must be served on (1) the debtor and the debtor's attorney, if the trustee is the movant, (2) the trustee, if the debtor is the movant, and (3) the creditor.

If the creditor disagrees with facts set forth in the motion, it must file a response within 28 days after the motion is served. The response must be prepared using new Official Form 410C13-M1R and be served on the individuals listed in Rule 3002.1(b)(1).

The response form requests that the creditor state in paragraph 2 the total amount it has received to cure any arrearages as of the date of the response. The form also requests that the creditor indicate in paragraph 3 whether or not the debtor is current on all postpetition

payments, including "all fees, charges, expenses, escrow, and costs." The creditor is required to attach a payoff statement as of the response date containing various information, as specified in paragraph 3(b), to assist in verifying the status of the claim. If the claim holder asserts that (1) arrearages have not been paid in full, (2) the debtor is not current on all postpetition payments, or (3) fees, charges, expenses, escrow charges, and costs are due and owing, it must attach an itemized payment history to the form.

Rule 3002.1(f)(2) does not appear to require the creditor to take any action if it agrees with the facts set forth in the motion. Thus, it would seem the creditor may either not respond to the motion or it may file and serve the response form and check the applicable boxes on the form indicating that the debtor is current on all payments.

If the creditor's response disagrees with facts set forth in the motion, the court must, after notice and a hearing, determine the status of the claim and enter an appropriate order. If the creditor does not respond to the motion or files a response agreeing with the facts set forth in it, the court may grant the motion based on those facts and enter an appropriate order. If the court grants the motion because it is uncontested, debtor's counsel should request an appropriate order to preserve the right to seek sanctions for contempt or under Rule 3002.1(h) if the creditor later contends that the debtor was not current or asserts other facts that are contrary to the status of the account as determined by the motion.

Rule 3002.1(f) does not limit how often a motion to determine status may be filed by the debtor or trustee. However, the Advisory Committee Note describes it as an "optional procedure" that should be used "only when necessary and appropriate for carrying out the plan." Another reason to use the procedure sparingly is that the debtor may be required under the terms of the mortgage contract to pay the creditor's reasonable attorney fees for responding to the motion, if court does not deny or limit fees in this circumstance. Still, the procedure under Rule 3002.1(f) is an important tool for debtors to help them successfully complete cure plans, by allowing the debtor and trustee "to be informed of any deficiencies in payment and to reconcile records with the claim holder in time to become current before the case is closed."[8]

5. Trustee's End-of-Case Notice of Disbursements Made

Before the 2025 amendments, trustees were required under former Rule 3002.1(f) to file a notice, referred to as a Notice of Final Cure Payment, after the debtor completed all payments under the plan. [9] Effective December 1, 2025, Rule 3002.1(g)(1) provides that "[w]ithin 45 days after the debtor completes all payments due to the trustee under a Chapter 13 plan," the

[8] 2025 Advisory Committee Note, reprinted in NCLC's *Consumer Bankruptcy Law and Practice* Appx B.
[9] *See* NCLC's *Consumer Bankruptcy Law and Practice* § 11.6.2.8.2.7.

trustee must file an end-of-case notice of the disbursements made. The trustee's notice must state (1) the amount the trustee disbursed to the creditor to cure any default and whether it has been cured, (2) the amount the trustee disbursed to the creditor for payments that came due during the case and whether such payments are current as of the date of the notice, and (3) that the creditor has an obligation under Rule 3002.1(g)(3) to respond to the trustee's notice.

The trustee's notice must be prepared using new Official Form 410C13-N, the "Trustee's Notice of Disbursements Made." In addition to the information listed on the form by the trustee, the form instructs the trustee to either attach a copy of the trustee's disbursement ledger for all payments made to the creditor or provide a link or website address for accessing the ledger. The notice must be served on the creditor, the debtor, and the debtor's attorney.[10]

While the amended rule states that the notice must disclose all payments disbursed by the trustee, this does not prevent a trustee from complying with the rule in districts in which the debtor directly disburses postpetition mortgage payments to the creditor. The form used for the end-of-case notice, Official Form 410C13-N, permits the trustee to comply with the rule in this situation by checking a box on the form indicating that postpetition payments are made directly by the debtor if the debtor is disbursing those payments, and the trustee can simply insert $0 for the amount disbursed for postpetition mortgage payments.[11] Moreover, Rule 3002.1(g)(1) makes clear that the requirement to file the notice is mandatory whenever all payments due to the trustee under the plan have been made, regardless of whether the trustee or the debtor directly disburses postpetition payments.

Before 2025, if for some reason the trustee did not file the final cure notice, former Rule 3002.1(f) permitted the debtor to file it. A similar provision was not included in current Rule 3002.1(g), so only the trustee can file the end-of-case notice of disbursements made.

6. Creditor Response to Trustee's Notice of Disbursements Made

Amended Rule 3002.1(g)(3) requires the mortgage creditor to file a response within 28 days after service of the trustee's notice. The response must be prepared using new Official Form 410C13-NR, the "Response to Trustee's Notice of Disbursements Made," and served on the trustee, debtor and debtor's attorney. It must be filed as a supplement to the creditor's claim and is not entitled to presumptive validity under Rule 3001(f).

---

[10] Fed. R. Bankr. P. 3002.1(g)(2).

[11] The 2025 Advisory Committee Note issued with the rule amendment states: "If the trustee has disbursed no amounts to the claim holder under either or both categories, the notice should be filed stating $0 for the amount disbursed." See National Consumer Law Center, Consumer Bankruptcy Law and Practice Appx. B (13th ed. 2023), updated at www.nclc.org/library.

The response form instructs the creditor to list information about the account, including whether (1) the debtor has paid all arrearages in full to cure any default in the mortgage, and (2) the debtor is current on all postpetition payments, including all fees, expenses, escrow charges, and costs. The creditor is required to attach to the response a payoff statement as of the response date that contains the account information specified in Part 3(b) of the form, such as the unpaid principal balance, escrow account balance, and due date and amount of next postpetition payment. If the creditor states that the prepetition arrearage has not been paid in full, that the debtor is not current on all postpetition payments, or that fees, charges, expenses, escrow charges, and costs are due and owing, it must attach an itemized payment history to the form.

7. Revised Procedure for Court Determination of a Final Cure

The debtor or trustee may obtain an order from the court determining that the debtor has cured all defaults and paid all required postpetition amounts on the home secured claim by filing a motion within 45 days after service of the creditor's response under Rule 3002.1(g)(3), or after service of the trustee's notice under Rule 3002.1(g)(1) if the servicer does not respond to that notice.[12] The motion must be prepared using new Official Form 410C13-M2, the "Motion Under Rule 3002.1(g)(4) to Determine Final Cure and Payment of the Mortgage Claim." It must be served on (1) the debtor and the debtor's attorney, if the trustee is the movant, (2) the trustee, if the debtor is the movant, and (3) the creditor.

If the creditor disagrees with the facts set forth in the motion, it must file a response within 28 days after the motion is served.[13] The creditor's response must be prepared using new Form 410C13-M2R, the "Response to [Trustee's/Debtor's] Motion to Determine Final Cure and Payment of the Mortgage Claim." The form requires the creditor to provide information and attachments that are similar to those requested on Official Form 410C13-NR, which is the creditor's response to the trustee's end-of-case notice under Rule 3002.1(g)(1). The claim holder's response must be served on the chapter 13 trustee, the debtor and debtor's attorney.

After notice and a hearing, the court must determine whether the debtor has cured all defaults and paid all required postpetition amounts.[14] If the creditor does not respond to the motion or files a response agreeing with the facts asserted in the motion, the court may enter an appropriate order based on those facts. If the motion is contested, the mortgage creditor must prove any charges it claims are due and unpaid because a creditor's response to notices under the rule do not have presumptive validity.

---

[12] Fed. R. Bankr. P. 3002.1(f)(4)(A).
[13] Fed. R. Bankr. P. 3002.1(g)(4)(B).
[14] Fed. R. Bankr. P. 3002.1(g)(4)(C).

8. Sanctions for Noncompliance

If a creditor fails to provide any information required by Rule 3002.1, the court may, after notice and hearing, take one or more of the actions listed in Rule 3002.1(h) against the creditor.[15] Before Rule 3002.1 was amended and several subsections were renumbered in 2025, Rule 3002.1(h) was Rule 3002.1(i).

This sanction provision was amended in 2025 to state that the court may also take any other action authorized by Rule 3002.1. Fed. R. Bankr. P. 3002.1(h)(3). This change does not appear to expand the authority of the court to impose sanctions but rather to "clarify that the listed sanctions are authorized in addition to any other actions that the rule authorizes the court to take …."[16]

[15] *See* NCLC's *Consumer Bankruptcy Law and Practice* § 11.6.2.8.2.8.

[16] 2025 Advisory Committee Note, reprinted in NCLC's *Consumer Bankruptcy Law and Practice* Appx B.