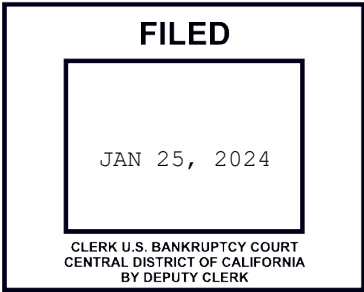


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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

**In re: PROCEDURES FOR LOAN
MODIFICATION MANAGEMENT
PROGRAM**

GENERAL ORDER 24-01


The United States Congress created procedures to follow when parties seek to mitigate losses when a real estate loan is in distress, namely 12 CFR 1024 (Regulation X, Loss Mitigation Procedures). While in bankruptcy court, it can be difficult for the parties to invoke and comply with these statutory requirements in conjunction with relevant provisions of the Bankruptcy Code (“Code”) and Federal Rules of Bankruptcy Procedure (“FRBP”).

In 2017, U.S. Bankruptcy Court, Central District of California (USBC-CD) created a pilot program to meet this challenge. In 2023, the Board of Judges voted to make this program permanent. The title of this program is the Loan Modification Management Program (“**LMM**”) as implemented in the Central District of California within regulations referred to above, and within our Local Bankruptcy Rules (“LBR”).

1 The LMM is managed by a vendor approved by the USBC-CD and is a forum for
2 debtors and creditors to reach a consensual resolution – or loss mitigation -- when a
3 debtor’s Eligible Property is at risk of foreclosure related to a creditor’s Eligible Loan.
4 Loss mitigation means the full range of solutions that may prevent either the loss of a
5 Debtor’s Eligible Property to foreclosure, increased costs to the Creditor, or both,
6 including but not limited to loan modification, loan refinance, forbearance, short sale, or
7 surrender of the Eligible Property in full satisfaction of obligations arising under an
8 Eligible Loan. The goal of the LMM is to facilitate communication and exchange of
9 information in a confidential setting and encourage the parties to finalize a feasible and
10 beneficial agreement under Court supervision.
11

12
13 **IT IS ORDERED:** Participants in the LMM must comply with LMM Procedures
14 and LMM Forms that are posted in section 3-10 of The Central Guide and at related
15 links on the court’s website. [Special Tab: LOAN MODIFICATION MANAGEMENT](#)
16 [PROGRAM | Central District of California | United States Bankruptcy Court](#)
17 [\(uscourts.gov\)](#)
18

19 DATED: January 25, 2024
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22 THEODOR C. ALBERT
23 Chief Judge
24 United States Bankruptcy Court
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