

The document below is hereby signed.

Signed: February 27, 2014



A handwritten signature in black ink, reading "S. Martin Teel, Jr.", is written over a horizontal line.

S. Martin Teel, Jr.  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF COLUMBIA

In re	)	
	)	
MARTHA L. BATTLE,	)	Case No. 13-00790
	)	(Chapter 7)
Debtor.	)	Not for publication in
	)	West's Bankruptcy Reporter.

MEMORANDUM DECISION AND ORDER RE  
DEBTOR'S MOTION TO ENTER ORDER IMPOSING,  
WITH THE DEBTOR'S CONSENT, UNILATERAL OBLIGATIONS  
ON THE DEBTOR FOR THE PROTECTION OF THE SECURED CREDITOR

The debtor has filed a motion seeking entry of the attached proposed order. Toyota Motor Credit Corporation ("Toyota"), the affected creditor, opposes the motion on the grounds that the debtor is seeking to reaffirm the debtor's obligations outside of the requirements of 11 U.S.C. § 524.<sup>1</sup> The proposed order does not purport to reaffirm the debtor's debt under the car note. The forthcoming discharge will discharge that debt, and by reason of the discharge injunction, such debt will not be enforceable as a personal obligation of the debtor. The debt, however, will

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<sup>1</sup> Toyota supplemented its response to further object on the grounds that the proposed order seeks relief that is not requested in the debtor's motion.

still be enforceable as an *in rem* obligation against the car that secures repayment of the debt. The proposed order clarifies the right of Toyota to enforce that obligation, and sets forth the debtor's commitment to keep the car insured as part of her attempt, postpetition, to encourage Toyota not to repossess the car in enforcement of the *in rem* debt so long as the debtor remains current in voluntarily making the car note payments that remain as an *in rem* debt. The order: (1) clarifies that notwithstanding the debtor's forthcoming discharge, Toyota may issue dunning notices (so long as the car has not been repossessed and sold) regarding payments that need to be made in order to prevent a sale of the car, thereby removing any doubt whether such dunning notices can be sent; (2) commits the debtor to insuring the vehicle, thus protecting the value of Toyota's *in rem* rights; and (3) makes clear that the debtor will be responsible for any losses arising from her interference with Toyota's lawful repossession efforts.<sup>2</sup>

It is the debtor's discharge, and not the proposed order, that will relieve the debtor of any personal obligation on the note secured by the car, and Toyota's other rights (including its

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<sup>2</sup> The discharge injunction does not shield the debtor from claims that arise post-petition as a result of the debtor's wrongful interference with a creditor's exercise of its lawful rights. The proposed order is an acknowledgment by the debtor that she is responsible for losses that arise out of such conduct, but from a practical standpoint, the obligation exists with or without the order.

lien rights securing payment of the note obligation) remain unaltered. See *In re Brown*, 2009 WL 150630 (Bankr. D.D.C. Jan. 21, 2009) (available for viewing on the court's website at <http://www.dcb.uscourts.gov/dcb/reaffirmation-agreement>). The proposed order does not alter the operation of § 521(a)(6) or prevent the termination of the automatic stay if the debtor fails to either enter into a reaffirmation agreement or redeem the property within 45 days after the first meeting of creditors. Nevertheless, it may be that foregoing repossession so long as the debtor makes monthly payments is in Toyota's best interest. Because the order does not alter Toyota's rights, and, indeed, clarifies its *in rem* rights and commits the debtor to keeping the car insured, it has no standing to complain regarding the entry of the order. It is thus

ORDERED that Toyota Motor Credit Corporation's Objection to entry of the debtor's proposed order is OVERRULED.

[Signed and dated above.]

Copies to: Recipients of e-notification of filings.



a default has arisen or should arise under the parties' contract, and such notices or statements shall not be construed as an act to collect the debt as a personal liability of the debtor, but this shall not subject the debtor to any personal liability for the debt, and

(3)The creditor (and its successors and assigns, and any entity on whose behalf it has acted) may accept payments received pursuant to such notices. It is further

ORDERED that the debtor is advised that by reasons of the receipt of a discharge, he will not be personally obligated to make monthly payments that come due as owed to the creditor, but that he may elect voluntarily to make such payments if he wishes to avoid a monetary default pursuant to which the creditor might opt to enforce its lien against his vehicle. It is further

ORDERED that actions taken by the secured creditor pursuant to the foregoing provisions will not violate the debtor's discharge or the automatic stay.

Copies to debtor and

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End of Order