Opinion Title: 08/01/2008 PUBLISHED In re Espinoza, 08-20778, Judge Thurman.

Body: In this chapter 13 case, the Court considered whether a plan that defers the start of equal monthly payments to a secured creditor beyond confirmation and proposes to pay adequate protection payments of lesser amounts in the interim complies with 11 U.S.C. § 1325(a)(5)(B)(iii)(I). CitiFinancial Auto Corporations objected to confirmation of the plan, arguing that it failed to provide for equal monthly payments in an amount sufficient to adequately protect its interests during the term of the plan. Relying on the reasoning of In re Denton, 370 B.R. 441 (Bankr. S.D. Ga. 2007) and In re Sanchez, 384 B.R. 574 (Banrk. D. Or. 2008), the Court concluded that the Debtor's plan did not comply with chapter 13's equal monthly payment requirement. The Court explained that the term "periodic payments" in § 1325(a)(5)(B)(iii) referred to all regularly-recurring post-confirmation payments to be made to a secured creditor such as CitiFinancial. It follows, then, that unless CitiFinancial agrees otherwise, it must receive equal monthly payments beginning with the first post-confirmation distribution and continuing until its claim is paid in full.

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Judge: Judge William T. Thurman [2]

Date: Friday, August 1, 2008

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