

Status of Uncontested Lien Strip Orders

Motions to value collateral pursuant to Bankruptcy Rule 3012 are required to be heard "after a hearing on notice." Under the existing local rules of this Court, LBR 9014 is applicable, and a notice of motion using the prescribed local form is required. Unlike motions brought pursuant to LBR 9013 for matters that only require "notice and a hearing," the notice of motion form for LBR 9014 motions does not specifically alert parties that the motion may be granted without further notice if no opposition is filed. While LBR 9014(f) permits the court in its discretion to enter orders granting LBR 9014 motions if no opposition is filed, the Court is concerned that this local rule does not provide sufficient notice since this warning is not contained in the notice itself.

The Court is promulgating a procedure to accommodate uncontested lien strip orders that will provide more due process. Until this occurs, lien strip orders cannot be submitted until after the tentative is issued, and the hearing date passes."