

## **PARTICIPATION RULES OF THE AUTOMATIC BANK DRAFT PROGRAM**

- ❑ This program is intended for debtors who do not have employers that can be placed under a payroll order which would include debtors with fixed incomes such as social security or disability and self-employed debtors. Other debtors with special needs may qualify on a case-by-case basis.
- ❑ Requests to participate should be initiated by the bank account owners completing and returning to the Trustee the "Authorization Agreement for Preauthorized Payments" designating the bank account which will be debited, the debtor providing the Trustee a voided check, and the debtor's attorney filing an order allowing the Trustee to pull funds.
- ❑ The designated bank account will be debited one time per month either on the 5<sup>th</sup> of each month for an amount representing the debtor's current monthly payment or the 22<sup>nd</sup> of each month for an amount representing the debtor's current monthly payment. The debtor selects which draft date works best, or may choose to split their monthly payment and have half taken out on each day. Should the 5<sup>th</sup> or 22<sup>nd</sup> fall on a weekend or bank holiday, the account will be debited on the first business day thereafter.
- ❑ If the plan payment changes, the Trustee will automatically change the amount deducted from the debtor's checking account.
- ❑ The debtor will be removed from this program if the Trustee is notified of any insufficient funds debit. Should that happen, the debtor would not be allowed to re-enter this program except upon written request with special circumstances existing.
- ❑ In order to enter the program the debtor must also authorize the Trustee to initiate credits to the bank account, which will be used solely to adjust any entry made in error to the debtor's bank account.
- ❑ The completed "Authorization Agreement for Preauthorized Payments" must be returned to Barbara Foley Chapter 13 Trustee, Attn: Bank Draft Program 425 W. Michigan Ave, Kalamazoo, MI.
- ❑ The Trustee reserves the right to deny this privilege to any debtor.
- ❑ The debtor has the right to terminate the automatic bank draft at any time upon written request made in such time and manner as to afford the trustee reasonable opportunity to terminate the draft.
- ❑ The trustee reserves the right to amend these rules at any time without notice to those who are currently participating.
- ❑ Upon receipt of all required documents, the Trustee notify the debtor in writing as to the date the automatic withdrawals will begin. The debtor will be responsible for making his/her monthly payment until that date.