

MEMORANDUM

TO: All Attorneys Practicing in the Akron Divisional Office
FROM: Judge Alan M. Koschik
DATE: July 14, 2017
RE: Interest Rate on Secured Claims

This Court previously adopted the prime-plus interest rate for secured claims promoted by a plurality decision of the United States Supreme Court in *Till v. SCS Credit Corp.*, 541 U.S. 465 (2004). *In re Kemmery*, 516 B.R. 485 (Bankr. N.D. Ohio 2014). Under this formula, secured claims may be restructured in a plan by imposing an interest rate equal to the prime rate plus an additional risk factor of 1-3 percent. It has been this Court’s practice to allow secured claims to be paid interest at 2 percent over the prevailing prime rate as of the petition date by default. Attempts to deviate from that formula require a hearing and an explanation, if not specific evidence.

The history of the prime rate and the applicable *Till* rate in this Court was summarized in more detail in my last memo regarding this topic on May 9, 2017. Since that date, on June 15, 2017, the national prime interest rate increased to 4.25%. Therefore, the “*Till rate*” for secured claims in cases filed on or after July 1, 2017, in the Akron divisional office will be presumed to be 6.25%.

The following chart may be of some assistance.

Case Filing Date	Secured Claim Interest Rate
Before and on December 31, 2015	5.25%
January 1, 2016 to December 31, 2016	5.50%
January 1, 2017 to March 31, 2017	5.75%
April 1, 2017 to June 30, 2017	6.00%
On and after July 1, 2017	6.25%

Any and all parties remain free to request a hearing and contest a proposed interest rate as too high or too low. The rates described in this memorandum are those that will be approved if a claimant does not respond to a properly-noticed objection to its claim.