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2 UNITED STATES BANKRUPTCY COURT
3 EASTERN DISTRICT OF CALIFORNIA
4 SACRAMENTO DIVISION
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7 In re) Case No. 07-27908-A-7
8 FRANK CARTAGO,) Docket Control No. PD-1
9) Date: November 26, 2007
10 Debtor.) Time: 9:00 a.m.
11)

12 *On November 26, 2007 at 9:00 a.m., the court considered the*
13 *motion for relief from the automatic stay by Mortgage Electronic*
14 *Registration Systems, Inc., as nominee for MLSG, Inc. The*
15 *court's ruling on the motion is appended to the minutes of the*
16 *hearing. Because that ruling constitutes a "reasoned*
explanation" of the court's decision, it is also posted on the
court's Internet site, www.caeb.uscourts.gov, in a text-
searchable format as required by the E-Government Act of 2002.
The official record, however, remains the ruling appended to the
minutes of the hearing.

17 **FINAL RULING**

18 The motion will be denied.

19 The movant, Mortgage Electronic Registration Systems, Inc.,
20 as nominee for MLSG, Inc., seeks relief from the automatic stay
21 as to 752 Rice Way, Yuba City, California. The property has a
22 value of \$190,000 and is encumbered by claims totaling
23 approximately \$183,413.06. Costs of sale are not encumbrances
24 for purposes of an 11 U.S.C. § 362(d)(2) analysis. The movant's
25 lien is the only encumbrance against the property. This leaves
26 approximately \$6,586 of equity in the property.

27 Given this equity, relief from stay under 11 U.S.C. §
28 362(d)(2) is not appropriate.

1 Further, there is no evidence in the record establishing
2 that the property is depreciating in value. Under United Sav.
3 Ass'n. Of Tex. v. Timbers of Inwood Forest Assocs., Ltd., 484
4 U.S. 365, 108 S.Ct. 626, 98 L.Ed.2d 740 (1988), a secured
5 creditor's interest in its collateral is considered to be
6 inadequately protected only if that collateral is depreciating or
7 diminishing in value. The creditor, however, is not entitled to
8 be protected from an erosion of its equity cushion due to the
9 accrual of interest on the secured obligation. In other words, a
10 secured creditor is not entitled to demand, as a measure of
11 adequate protection, that "the ratio of collateral to debt" be
12 perpetuated. See Orix Credit Alliance, Inc. v. Delta Resources,
13 Inc. (In re Delta Resources, Inc.), 54 F.3d 1200, 1202 (11th Cir.
14 1995).

15 The movant also has an equity cushion of approximately
16 \$6,586. This equity cushion is sufficient to adequately protect
17 the movant's interest in the property until the debtor obtains
18 his discharge or the case is closed without entry of a discharge.
19 See 11 U.S.C. § 362(c)(1) & (c)(2). At that point, the automatic
20 stay will expire as a matter of law. The debtor is scheduled to
21 obtain his discharge soon after January 4, 2008. The case was
22 initially evaluated as a "no asset" case and there is nothing in
23 the file suggesting that the trustee is administering any assets
24 with the result that the case will remain open a significant
25 period beyond January 4, 2008. Thus, relief from stay under 11
26 U.S.C. § 362(d)(1) is not appropriate either. The motion will be
27 denied.

28 The parties shall bear their own fees and costs.