UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA, ALEXANDRIA DIVISION

In re: Wanda Harding Staker

In re: Wanda Harding Staker · No. 24-10444-BFK · Decided February 5, 2026

SUMMARY

The United States Bankruptcy Court for the Eastern District of Virginia grants in part the Chapter 13 trustee's amended motion to modify plan payments. The court holds that real property formerly held by the debtor and her deceased spouse as tenants by the entirety became property of the bankruptcy estate under 11 U.S.C. § 1306(a) after the spouse's death. The court orders supplemental briefing on whether the resulting change in the debtor's financial circumstances was substantial for purposes of modifying the confirmed plan under 11 U.S.C. § 1329.

CASE DETAILS

COURT	United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division
WRITING FOR THE COURT	Brian F. Kenney
JURISDICTION	United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division
DECIDED	February 5, 2026
DOCKET	24-10444-BFK
DISPOSITION	other
PROCEDURAL POSTURE	The Chapter 13 Trustee sought to modify the confirmed plan under 11 U.S.C. § 1329 after the debtor's husband died and the debtor became the sole owner of property previously held by the spouses as tenants by the entirety. The court granted the motion in part by ruling that the property became property of the bankruptcy estate under 11 U.S.C. § 1306(a), but ordered supplemental briefing on whether the resulting change in the debtor's financial circumstances was substantial enough to support a plan modification.
STANDARD OF REVIEW	The court applied the legal standards governing plan modification under 11 U.S.C. § 1329, including the Fourth Circuit requirement that a change in a debtor's financial circumstances be substantial and unanticipated. The opinion does not identify a separate appellate standard of review.

PRECEDENTIAL VALUE	persuasive
PARTIES	Chapter 13 Trustee v. Wanda Harding Staker

TOPICS

chapter 13 · bankruptcy estate non-debtor spouse rights · bankruptcy exemptions · statutory interpretation · bankruptcy

PRACTICE AREAS

Bankruptcy · Chapter 13 · Real estate · Bankruptcy exemptions · Statutory interpretation

QUESTIONS PRESENTED

1. Whether the debtor's acquisition of sole ownership of property formerly held as tenants by the entirety caused the property to become property of the Chapter 13 bankruptcy estate under 11 U.S.C. § 1306(a)(1).
2. Whether the debtor's change in financial circumstances was substantial for purposes of modifying the confirmed Chapter 13 plan under 11 U.S.C. § 1329(a).

HOLDINGS

1. When a Chapter 13 debtor becomes the sole owner of property previously held as tenants by the entirety after the petition date, the debtor acquires a meaningful and distinct property interest, and 11 U.S.C. § 1306(a) brings that property into the bankruptcy estate notwithstanding the general exemption protections of 11 U.S.C. § 522(c). The court therefore held that the Property was property of the bankruptcy estate.
2. The court did not finally determine whether the change in the debtor's financial circumstances was substantial under § 1329. It held that the issue remained unresolved because the court needed supplemental briefing concerning the effect of the debtor's sole ownership of the property, the dismissal of her husband or his estate, and the disallowance of claims based solely on his obligations.

KEY QUOTATIONS

> *"On balance, the Court holds that Cordova, which held that gaining full ownership rights in former tenants by the entirety property was a meaningful change, and Carroll v. Logan, which held that Section 1306(a) is the more specific statute, compel the conclusion that Ms. Staker's Property is no longer exempt."* (Part II.C)

> *"The Property is property of the bankruptcy estate pursuant to 11 U.S.C. § 1306(a)."* (Conclusion ¶ 1)

FACTUAL BACKGROUND

The Stakers jointly filed Chapter 13 and owned their Virginia home as tenants by the entirety. The property was scheduled at $900,000, with approximately $312,834 in secured debt, and was exempted from claims of non-joint creditors; the confirmed plan provided no distribution to unsecured creditors. After Kevin Staker died, Wanda became the sole owner of the property, while the court disallowed claims based solely on Kevin's obligations and dismissed him or his estate from the case. The Trustee argued that the change in ownership brought the property into the Chapter 13 estate and justified modifying the plan.

PROCEDURAL HISTORY

Kevin and Wanda Staker filed a joint Chapter 13 petition, and the court confirmed their amended plan. After Kevin Staker died, the court dismissed him or his estate from the case and sustained objections to claims based solely on his individual obligations. The Trustee moved to modify plan payments, arguing that the debtor's former entireties property had become estate property. The court denied the Trustee's separate motion to dismiss as to life-insurance policies because the exemption objection was untimely, then considered the property issue and required supplemental briefing concerning substantiality under § 1329.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. The parties were directed to file supplemental memoranda by March 12, 2026, addressing whether the debtor's change in financial circumstances was substantial under § 1329, and the matter was set for further argument on March 19, 2026.

CASES CITED

- Carroll v. Logan, 735 F.3d 147 (4th Cir. 2013)
- Murphy v. O'Donnell (In re Murphy), 474 F.3d 143, 150 (4th Cir. 2007)
- Williams v. Peyton (In re Williams), 104 F.3d 688 (4th Cir. 1997)
- Greenblatt v. Ford, 638 F.2d 14 (4th Cir. 1981)
- Sumy v. Schlossberg, 777 F.2d 921 (4th Cir. 1985)
- Vasilon v. Vasilon, 66 S.E.2d 599 (Va. 1951)
- Oliver v. Givens, 129 S.E.2d 661 (Va. 1963)
- Fairfield v. United States (In re Ballard), 65 F.3d 367 (4th Cir. 1995)
- Cordova v. Mayer (In re Cordova), 73 F.3d 38 (4th Cir. 1996)
- Birney v. Smith (In re Birney), 200 F.3d 225 (4th Cir. 1999)
- In re Bradby, 455 B.R. 476 (Bankr. E.D. Va. 2011)
- In re Braddy, 668 B.R. 526 (Bankr. E.D. Va. 2025)
- Martinez v. Gorman (In re Martinez), 2022 WL 2165994 (E.D. Va. 2022)
- Goodman v. Gorman (In re Goodman), 534 B.R. 656 (E.D. Va. 2015)
- In re Ilyev, 2022 WL 2965029, 2022 Bankr. LEXIS 2046 (Bankr. E.D. Va. 2022)
- Taylor v. Freeland & Kronz, 503 U.S. 638, 643-44 (1992)

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