

MEMORANDUM

DATE: July 19, 2017

TO: Debtor-Creditor Bar Members and Practitioners
Eastern and Western Districts of Arkansas

FROM: Joyce Bradley Babin
Jack W. Gooding
Mark T. McCarty
Chapter 13 Standing Trustees

RE: **Revised Guidelines for Compensation for Services Rendered
And Reimbursement of Expenses in Chapter 13 Cases**

Attached is a copy of revised Guidelines for Compensation for Services Rendered and Reimbursement of Expenses in Chapter 13 Cases (“Guidelines”). A “red-lined” copy detailing the changes also is attached.

The Guidelines were provided in materials for the Arkansas Bar Association Debtor-Creditor Seminar held in Little Rock on March 30-31, 2017. After the seminar, feedback was received from a number of attorneys and adjustments were made to the additional fee amounts.

The primary changes in the Guidelines address the total fees that will be recommended to the court for approval. In Paragraph 3(a), a maximum summary fee award as follows:

1. For a below median income debtor (non-business case) - \$3,500;
2. For an above median income (non-business case) - \$4,000; and
3. For a debtor with a business case - \$4,500.

Additionally, a new summary fee award, a one-time fee for the life of the case, has been outlined. While many attorneys commented that they would not seek a one-time fee for the life of the case, there was some interest. Paragraph 3(b) of the revised Guidelines provides:

- b. Summary Award for Life of Case. If the attorney agrees not to seek awards for additional fees as provided in Paragraph 8 or pursuant to Federal Rule of Bankruptcy Procedure 2016 (the “long form”) and agrees for the summary fee award to cover all aspects of representation in the bankruptcy case, except for representation in adversary proceedings, the Trustee will recommend a summary fee award as listed below. If an attorney elects a fee under this section, the attorney may seek reimbursement of costs for services as described in Paragraph 9.

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1. For a below median income debtor (non-business case) - \$4,025;
2. For an above median income (non-business case) - \$4,525;
3. For a debtor with a business case - \$5,025.

The order of the first two sentences in Paragraph 6 has been reversed. Paragraph 7 has been rearranged to clarify that upon dismissal of an unconfirmed plan, the Trustee will not conclude that funds on hand are an award of the previously approved summary compensation award.

Paragraph 8 of the Guidelines has been revised to provide adjustments for some amounts. Sub-paragraphs 8(b)(17) (defense of creditors' motions for relief or dismissal), (19) and (20) (defense of motions to dismiss) have been clarified to provide that a fee will not be recommended for approval if an additional related fee is requested in another category of Paragraph 8 such as for an amended plan or amended schedules.

In Paragraph 9, the amount to be recommended for approval for the actual and necessary costs for services should not exceed \$2.25 per case, an increase, from \$2. Duplicate costs to the same address may not be recommended for approval. Attorneys should check to make sure that multiple notices are not being sent to the same creditor at the same address.

Please see the red-lined copy of the Guidelines for other changes not highlighted in this Memorandum. The new Guidelines will be effective for cases filed or work performed after the effective date August 1.

Thank you for your assistance and the opportunity to work with you.