GUIDELINES FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES IN CHAPTER 13 CASES

The Chapter 13 Standing Trustees for the Eastern and Western Districts of Arkansas will consider the following guidelines when reviewing awards of compensation and reimbursement of expenses for attorneys representing debtors in Chapter 13 cases and recommending approval by the Bankruptcy Court:

1. An attorney seeking interim or final compensation for services or reimbursement of necessary expenses from an estate in a Chapter 13 case shall file an application as set forth in Federal Rule of Bankruptcy Procedure 2016.

2. As an alternative to the "long form" application procedures outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney may file a "short form" application for a summary compensation award of fees and costs in a Chapter 13 case for the services through confirmation of the plan as described in Paragraph 3.

   In seeking a summary compensation award amount, the attorney should consider the reasonableness of the compensation and the circumstances surrounding the case.

3. The Chapter 13 Trustee shall recommend to the court for approval of maximum summary compensation awards as described below.

   a. For a below median income debtor (non-business case) - $4,300;

   b. For an above median income (non-business case) - $4,750;

   c. For a debtor with a business case - $5,250;

4. Upon confirmation, the Chapter 13 Trustee shall pay the summary compensation award from funds paid by the debtor(s):

   a. As follows:

      1. FOR CASES WITH MONTHLY PLAN PAYMENTS LESS THAN $200, an initial portion of the summary compensation award in an amount not to exceed $1,000, after first paying administrative costs, including applicable Trustee's fees and administrative fees; or

      2. FOR CASES WITH MONTHLY PLAN PAYMENTS BETWEEN $200 AND $499, an initial portion of the summary compensation award in an amount not to exceed $1,200, after first paying administrative costs, including applicable Trustee's fees and administrative fees; or

3. FOR CASES WITH MONTHLY PLAN PAYMENTS MORE THAN $500, an initial portion of the summary compensation award in an amount not to exceed $1,500, after first paying administrative costs, including applicable Trustee's fees and administrative fees;

and

b. The remaining summary compensation award shall be paid at a rate not to exceed twenty-five percent (25%) from the total amount disbursed to creditors each month.

c. Notwithstanding the above provisions (4(a) and 4(b)), *generally*, if there are only nonpriority unsecured claims to be paid in the plan or remaining to be paid in the plan, the attorney's fees shall be paid at the rate of 100% of the total plan payment, after first paying administrative costs, including applicable Trustee's fees and administrative fees, until paid in full.

d. Additionally, if requested, expenses based on the parameters described in Paragraph 9 also may be reimbursed.

5. The summary compensation awarded pursuant to these guidelines is based upon the attorney providing adequate legal services to the debtor. The full amount of the summary compensation award shall be deemed fully earned at the date of the confirmation of the Chapter 13 plan. These legal services shall include, but not be limited to:

a. The preparation and filing of complete and accurate petition, schedules, statement of financial affairs, disclosure of compensation, Form B22C, fee application and related documents based upon information obtained from the debtor and following reasonable inquiry; advising and assisting regarding the requirements for credit counseling and tax returns/transcripts; obtaining extensions or imposition of automatic stay; responding to debtor audit requests;

b. The filing of a confirmable plan;

c. Consultation with the debtor in person and prior to the filing of the bankruptcy case and as necessary to obtain confirmation of the debtor's plan;

d. The appearance and representation of the debtor at all scheduled § 341(a) meetings of creditors;

e. Advising the debtor regarding the requirements for obtaining a discharge, including eligibility for discharge; the need to complete a course in personal financial management provided by an approved agency; and the need to satisfy requirements regarding domestic support obligations and filing required domestic support obligation documents with the bankruptcy court;

f. Filing with bankruptcy court, on behalf of the debtor, a statement regarding the completion of a course in personal financial management required by Federal Rule of Bankruptcy Procedure 1007(b)(7) (or subsequent rules) and any required statements regarding the status of domestic support obligations;

g. Consultation with the debtor from time-to-time after confirmation regarding the status of the case and steps needed for plan completion, including without limitation, changes of address, changes in employer/employee withholding, review of summary notices of claims, review of annual/semi-annual reports, and review or preparation of miscellaneous correspondence regarding the case~~;~~ and

h. Compliance with all requirements of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, General Orders, Local Rules and procedures.

6. For substitutions of counsel that occur prior to confirmation of the plan or prior to the payment of the summary compensation award, the compensation will continue to be paid according to the order awarding the summary compensation (usually the first attorney providing services) unless the Bankruptcy Court orders an amended or different allocation of the compensation. Only one "summary compensation award" for services pursuant to Paragraphs 3, 4 and 5 above will be recommended by the Chapter 13 Trustee for approval by the Bankruptcy Court. The substituting attorney may file a "long form" application pursuant to Federal Rule of Bankruptcy Procedure 2016, however, for actual services rendered.

7. Upon dismissal of a case with an unconfirmed plan, the Chapter 13 Trustee will not conclude that funds on hand are an award of the full previously approved summary compensation award pursuant to 11 U.S.C. §§ 503(b) and 1326(d)(2) without further order of the Bankruptcy Court. The summary compensation award pursuant to Paragraphs 3, 4 and 5 above is awarded "summarily" upon confirmation of the plan.

8. As an alternative to the "long form" application process outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney also may file a "short form" application for a summary compensation award of fees and costs for additional services primarily rendered post-confirmation or as specified below pursuant to the following guidelines:

a. The Chapter 13 Trustee shall be authorized to calculate and recommend to the court for approval amounts for summary compensation awards for pre- or post-confirmation services as described in Subparagraph 8(b). All services are subject to an actual, reasonable and necessary standard and review by the Court upon motion or objection by the Trustee or other parties.

b. For the following services, the summary compensation award shall not exceed the designated amount:

1. Post-Confirmation Amended Plan - Adding only unsecured creditors (Awarded upon confirmation of amended plan) – $125;

2. Post-Confirmation Plan (Awarded upon confirmation of modified plan) - $400;

3. Pre- or Post-Confirmation Lien Avoidance Action (Uncontested/no trial) – $400;

4. Pre- or Post-Confirmation Lien Avoidance Action (Contested/trial) – $500;

5. Post-Confirmation Letter to Creditor to Cease Collection Efforts, Contacts or Post-Petition Garnishment (With relevant documentation attached - to be allowed for no more than 5 letters per case) – $50;

6. Post-Confirmation Notice of Bankruptcy Filed in Another Court (With relevant documentation attached) - $50;

7. Pre- or Post-Confirmation Defense of an IRS or DFA Motion for Relief from Stay to Setoff Refund – $150;

8. Post-Confirmation Defense of an IRS or DFA Motion to Compel to File Tax Returns – $100;

9. Pre- or Post-Confirmation Defense of a DFA Motion for Strict Compliance for Debtor Engaged in Business – $150;

10. Pre- or Post-Confirmation Motion to Assist Debtor in Compliance or Performance of Plan, e.g., Refund/Disbursement, Motion for Approval of Special Counsel, Motion to Compromise Controversy, Motion to Approve Settlement (No trial) – $375;

11. Pre- or Post-Confirmation Motion to Assist Debtor in Compliance or Performance of Plan, e.g., Refund/Disbursement, Motion for Approval of Special Counsel, Motion to Compromise Controversy (Trial) – $500;

12. Pre- or Post-Confirmation Motion to Abate Payments, Motion to Extend or Modify Strict Compliance Order - $225;

13. Pre- or Post-Confirmation Motion to Sell, Refinance, Incur Debt or Modify Loan (Real Property) (No Trial) – $500;

14. Pre- or Post-Confirmation Motion to Sell, Refinance, Incur Debt or Modify Loan (Real Property) (Trial) - $650;

15. Pre- or Post-Confirmation Motion to Sell, Refinance, Incur Debt or Modify Loan (Personal Property) (No Trial) – $250;

16. Pre- or Post-Confirmation Motion to Sell, Refinance, Incur Debt or Modify Loan (Personal Property) (Trial) - $350;

17. Pre- or Post-Confirmation Objection to Claim (Uncontested; filed by debtor's attorney) – $200;

18. Pre- or Post-Confirmation Objection to Claim (Contested; filed by debtor's attorney) – $400;

19. Motion for "Hardship" Discharge Pursuant to 11 U.S.C. § 1328(b) – $400 (if funds available);

20. Pre- or Post-Confirmation Defense of a Motion for Relief from Stay or Creditor's Motion to Dismiss (No trial and not provided as surrender/abandoned in plan and when fees are not requested under another section of this paragraph, e.g., amended plan or amended schedules) – $300;

21. Pre- or Post-Confirmation Defense of a Motion for Relief from Stay or Creditor's Motion to Dismiss (Trial) – $600;

22. Pre- or Post-Confirmation Defense of a Trustee's Motion to Dismiss (Other than for failure to amend, submit documentation or file schedules and when fees are not requested under another section of this paragraph, e.g., amended plan or amended schedules) (No trial) – $100;

23. Pre- or Post-Confirmation Defense of a Trustee's Motion to Dismiss (Other than for failure to amend, submit documentation or file schedules and when fees are not requested under another section of this paragraph, e.g., amended plan or amended schedules) (Trial) – $300;

24. Post-Confirmation Amendment of Schedules C, I & J (Not part of an amended plan or other motion) – $200;

25. Proof of Claim (With relevant documents attached, including security documents) – $200;

26. Pre- or Post-Confirmation Motion to "Reinstate" or Set Aside Dismissal (Other than for failure to timely file/submit documents or plan) – $250; and

27. Post-Confirmation Motion to "Deconsolidate"/Sever Case – $300.

c. In seeking compensation for additional services, the attorney should consider the circumstances surrounding the matters for which additional fees are sought and the reasonableness of the additional fee amounts requested.

d. For all additional services for which the attorney is seeking a summary compensation award, the debtor and the Chapter 13 Trustee should receive copies of the application for additional services. For applications for additional services not signed by the debtor, the debtor should be provided notice and opportunity to object (21 days) of the application. Notwithstanding the 21-day period described for the debtor in this paragraph, the Trustee will not object, recommend for approval or submit an order to the Court approving the application until the underlying matter for which the fee is sought is concluded.

e. Fee applications for additional services should be submitted within six months of the conclusion of the matters for which the fee is sought (or sooner if the plan is nearing completion). The Trustee may request additional information or substantiation of the services if applications are submitted more than six months after the conclusion of the matter for which the fee is sought.

f. For additional services *not* listed above or as an alternative for the services listed above, an attorney may file a "long form" application for additional fees *upon the conclusion of the matter* for which the additional services are performed describing the dates and work performed along with a

notice and opportunity to object (21 days) to the Chapter13 Trustee, debtor, creditors and interested parties.

g. The summary compensation award for post-confirmation services shall be paid upon Bankruptcy Court approval from funds paid by the debtor(s) through the Chapter 13 Trustee's monthly disbursement procedures.

9. Costs for noticing or adding and removing creditors may be reimbursed as follows:

a. For plans, including original and amended plans, and amended schedules, an amount for ***actual*** and necessary costs will be allowed not to exceed $2.75 per creditor served by regular mail or $11 per creditor served by certified mail.

b. For each service listed in Subparagraph 8(b), an amount for ***actual*** and necessary costs for service will be allowed not to exceed $2.75 per creditor served by regular mail or $11 per creditor served by certified mail.

c. The fee to add or remove creditors paid to the Bankruptcy Court (at the current rate) also may be included as a cost to be reimbursed by the Trustee.

The Trustees will implement these guidelines effective February 1, 2023, for cases filed on or after that date for purposes of Paragraphs 3, 4, 5, 6 and 7 (services through confirmation of plan) and for services rendered on or after that date for purposes of Paragraph 8 (additional pre- or post-confirmation services) and Paragraph 9 (costs).