

## **How to Maximize Your Fees in Chapter 13**

There is an time-tested adage in Chapter 13. The fewer times you put your hands on a file, the more money you will make on that case. Administrative Order 2022-10 sets the presumptive fee for Chapter 13 cases in the Middle District of Alabama at \$4,500.00 per case. Following is a list of suggestions on how you might maximize the presumptive fees in a Chapter 13 case.

1. Meet all deadlines set by the Code, Rules and the Court and/or provide items requested by the Trustee prior to §341 meetings and confirmation hearings to avoid §341 or confirmation being continued:
  - a. Tax Returns no later than 7 days prior to §341 meeting and look at the debtor's tax returns to anticipate questions from the Trustee about income information and deductions on the debtor's tax returns
  - b. Uploading Drivers Licenses and debtor email addresses along with tax returns no later than 7 days prior to §341 meeting
  - c. All amendments or items requested by the Trustee's office provided no later than 5 business days prior to the Court's docket
  - d. Use checklists to assist with compliance
2. Don't wait for the Trustee to file an objection to confirmation before filing the amendments requested at 341 - waiting for an objection may result in confirmation being continued for notice purposes. File all amendments directly following the §341 meeting when you already have the file out and the debtor handy.
3. Make notes at §341 meetings and confirmation hearings to ensure all items requested by the Court, the BA or the Trustee are provided in a timely manner. If you lose your notes, look at the Trustee's Matter Calendar online for help with outstanding items requested and confirm with parties in interest prior to the continued hearing that their concerns or objections have been adequately addressed.

4. Use all tools and technology provided by the Court, BA and the Trustee. Examples- Court website, BA website, Trustee website, BKdocs, NDC.org, and 13network.
5. Require first plan payment from debtor in advance of 30-day deadline, send IWO request first day case is filed, or set up TFS or Epay recurring payments first day case is filed.
6. Contact your client just prior to §341 meetings. Too many cases are continued for debtor's failure to appear at §341. Prepare them for the §341 proceeding (explain Zoom etiquette and questions that will be asked by the Trustee or BA).
7. If the debtor(s) have a change in circumstances and there is difference in "current income" and 6-month CMI income amount, set out at bottom of Schedule I (in the space provided on the form for change in income explanations) that the debtor would rebut the presumptive income amount on 122C due to a change in income. Explain the amount of the change and why there was a change. If above median income debtor, also take special circumstances deduction on 122C for the change.
8. Be responsive to emails, notices and contacts from the Court, the BA and the Trustee's office:
  - a. Address all submission errors immediately with amendments or questions to the Clerk's office
  - b. Provide amendments or items requested by the BA or the Trustee in advance of §341 meeting or Court dockets
  - c. Promptly reply to lawsuit inquiries from the BA or the Trustee
9. Remember to always follow Local Rules and/or Court procedures when filing pleadings or providing items to the Trustee or BA, and to provide all information needed in each pleading:
  - a. When filing amended Chapter 13 plans, highlight or bold changes and complete all applicable sections of the plan in detail
  - b. List actual values in Schedules and Plan correctly
  - c. File amended Schedules I and J with all motions to incur debt

- d. When filing motions to sell, explain in detail how proceeds are to be distributed (provide HUD 1 statement, state whether mortgage will be satisfied in full, and if any net proceeds after costs – where the net proceeds are going and how they are to be applied if net proceeds are coming to the Trustee's
  - e. When filing cash collateral motions, explain in detail what is to happen to all of the insurance proceeds (direct to lienholder or to Trustee), how the treatment of the claim should be addressed (what should happen if the claim is not paid in full or if there is leftover money after claim paid in full), state whether there was any personal injury from the collision (that saves you from having to respond to future inquiries from the Trustee's office if no PI)
  - f. Refrain from using "one form fits all" motions/responses that have no detail or information. If using template forms required by the Court, make sure they are completed with sufficient detail for the Court to rule and the parties in interest to know if they need to object.
10. Be responsive to your debtors. It will take twice as much time to address an inquiry from the BA or Trustee after the debtor has contacted the Trustee or BA than it would to respond to initial inquiries from the debtors. If your debtor is not satisfied with your answer to his/her inquiry, give some thought to informing the Trustee's office, if the rules of professional conduct will allow, because if the debtor is not happy with you, the next call is almost always going to be to the Trustee's office.