

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

**IMPORTANT NOTICE TO THE BAR CONCERNING
D.N.J. LBR 2016-5. COMPENSATION OF DEBTOR'S ATTORNEY IN A CHAPTER 13 CASE**

To clarify the provisions of recently amended *D.N.J. LBR 2016-5. Compensation of Debtor's Attorney in a Chapter 13 Case*, the Board of Judges of the U.S. Bankruptcy Court for the District of New Jersey has approved revisions to the 2018 Comment of the Rule.

The revised Local Rule is attached and has been added to the Court's [Local Rule Package](#).

Date: August 16, 2018

Jeanne A. Naughton, Clerk

D.N.J. LBR 2016-5. Compensation of Debtor's Attorney in a Chapter 13 Case

(a) Disclosure of compensation. The attorney must file with the petition Local Form *Disclosure of Chapter 13 Debtor's Attorney Compensation*. The attorney must select a compensation method as set forth in subdivisions (b) or (c).

(b) Standard fee. An attorney who charges a fee of \$4,750 or less is not required to file an application for compensation. The standard fee includes all services and reimbursable necessary expenses required to confirm a plan, including administrative services required subsequent to confirmation. The attorney may file an application for compensation and reimbursement of necessary expenses under Local Bankruptcy Rule 2016-1 for the following services which are excluded from the standard fee:

- (1) representation of the debtor in an adversary proceeding;
- (2) representation of the debtor in loss mitigation/loan modification efforts;
- (3) representation of the debtor in postconfirmation filings and matters brought before the court.

(c) Hourly billing. An attorney who elects hourly billing must file and serve on the debtor and the chapter 13 standing trustee an application for compensation and reimbursement of necessary expenses under Local Bankruptcy Rule 2016-1 not later than 7 days after the date of the order confirming the chapter 13 plan.

(d) Application for additional preconfirmation fees and expenses. An attorney who elected a standard fee under subdivision (b) may seek additional compensation and reimbursement of necessary expenses by filing an application under Local Bankruptcy Rule 2016-1 on notice to the debtor and chapter 13 standing trustee. The applicant must demonstrate that the additional services were unforeseeable at the time of the filing of the disclosure required under subdivision (a).

(e) Request for compensation of \$10,000 or more. An attorney seeking compensation and reimbursement of necessary expenses of \$10,000 or more must file and serve on the debtor and the chapter 13 standing trustee Local Form *Chapter 13 Debtor's Attorney Fee Application Cover Sheet* and comply with Local Bankruptcy Rule 2016-1.

2018 Comment

This Rule is amended to increase the standard fee. For cases filed or converted to Chapter 13 on or after the effective date of this Rule, the Court will no longer accept Local Forms, *Certification of Debtor's Counsel Supporting Supplemental Chapter 13 Fee* and *Order Granting Supplemental Chapter 13 Fees*. In those cases, all fees requested under this Rule must be filed in compliance with Local Bankruptcy Rule 2016-1.

Examples of administrative services under subdivision (b) include preparation and filing of a Certification in Support of Discharge, preparation and filing of a Certification About a Financial Management Course, and providing documentation requested by the chapter 13 standing trustee.

Subdivision (c) does not preclude an attorney who elects hourly billing from submitting fee applications after the initial fee request.

2015 Comment [Abrogated]

This Rule was formerly Local Bankruptcy Rule 2016-1(j).

Taking the steps necessary to discharge liens modified under the plan under subdivision (a)(1)(G) includes the filing of Local Forms *Application to Cancel and Discharge Mortgage/Lien* and *Chapter 13 Order Authorizing Cancellation, Voiding and/or Discharge of Record of Mortgage/Lien*.

The calculation of the fee amounts in this Rule is exclusive of the filing fee and expenses.