

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

**NOTICE TO THE BAR REGARDING CHAPTER 13 CASES
AND NOTICE OF REVISIONS AND ADDITION
TO CHAPTER 13 LOCAL BANKRUPTCY FORMS**

The Board of Bankruptcy Judges has approved revisions to Local Bankruptcy Forms 13 *Certification of Debtor's Counsel Supporting Supplemental Chapter 13 Fee* and 14 *Order Granting Supplemental Chapter 13 Fees* and has adopted Local Form 17 *Order to Employer To Pay to The Chapter 13 Standing Trustee*. Use of these forms is effective immediately. These forms, as well as proposed amendment to D.N.J. LBR 2016-1 *Compensation of Professionals*, subpart (j) *Chapter 13*, are available at the clerk's office in each vicinage and on the court's web page at www.njb.uscourts.gov.

NOTICE TO THE BAR REGARDING CHAPTER 13 CASES

Please take note of the following matters:

1. Filing of Past Due Tax Returns by Chapter 13 Debtors.
All past due tax returns must be filed with the appropriate taxing authorities by Chapter 13 debtors prior to the first listing of the case for confirmation. If a return is not filed by the confirmation date, the case will be dismissed.

2. Service of Motions on Chapter 13 Standing Trustee.
All motions in Chapter 13 cases shall be served on the Chapter 13 Standing Trustee. Note that where the mailing matrix is used for service, it may be that the Chapter 13 Standing Trustee does not appear on the matrix. If the matter is adjourned in order to give proper notice to the Trustee, no supplemental fee award will be granted to the moving party for the extra appearance at which the adjournment was granted.

3. Wage Orders.
Wage orders for trustee payments are highly recommended as a tool to improve case completion prospects. At confirmation, if the debtor has not made at least 50% of the required payments, the trustee will recommend dismissal. If the debtor has made at least 50% of the required payments but is not current, a wage order will be recommended by the trustee and imposed by the court, as long as the wage order is feasible and not likely to jeopardize the debtor's employment. The revised form wage order attached hereto will become a Local Form, and will be utilized in all three vicinages.

4. Attorney's Fees.
 - a) Local Rule of Bankruptcy Procedure 2016-1 will be amended to increase the amount that may be charged for a Chapter 13 case without submitting an application for allowances from \$1,500 to \$2,000. Please note that the increased

amount may not be charged without a fee application until the effective date of the amendment. If the flat fee exceeds \$2,000, a fee application is required.

b) Supplemental Fees. The procedure for applying for supplemental fees is modified as follows:

(1) Pursuant to 11 U.S.C. § 331, supplemental fees may not be applied for more than once every 120 days after the entry of an order for relief.

(2) Debtor's counsel is required to note the impact of the supplemental attorney's fee on the debtor's monthly plan payment, and to propose an increased monthly payment, if necessary, to accommodate the fee.

(3) An application for fees in connection with the prosecution and defense of motions must note the disposition of the motion.

(4) If a supplemental fee for more than one court appearance on a motion or plan confirmation is sought, the standard form fee application may not be used. For extra appearances, a statement of services and itemization of expenses, with a brief narrative explanation, in accordance with D.N.J. LBR 2016-1, must be submitted.

(5) Applications for fees up to \$1,000.00 must be noticed to the debtor(s) and the Chapter 13 standing trustee. Applications for fees of \$1,000.00 or more must be noticed pursuant to Fed.R.Bankr.P. 2002.

(c) The standard fee, without an affidavit of services, that may be awarded to counsel for secured creditors for prosecuting a motion to vacate stay will be \$250 plus filing fee, subject to the court's discretion to adjust otherwise.

5. Copies of the following revised and new local forms and text of proposed amendment to D.N.J. LBR 2016-1(j) follow this notice:

1. Revised D.N.J. Local Form 13: *Certification of Debtor's Counsel Supporting Supplemental Chapter 13 Fee*
2. Revised D.N.J. Local Form 14 - *Order Granting Supplemental Chapter 13 Fees*
3. *New Local Form 17 - Wage Order: Order To Employer to Pay To The Chapter 13 Standing Trustee*
4. Proposed Revision to D.N.J. LBR 2016-1 *Compensation of Professionals, subpart (j) Chapter 13.*

January 22, 2001

James J. Waldron, Clerk
U.S. Bankruptcy Court
50 Walnut Street
Newark, NJ 07102

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re : Case No.
Debtor(s) :
_____ :

CERTIFICATION OF DEBTOR'S COUNSEL
SUPPORTING SUPPLEMENTAL CHAPTER 13 FEE

_____, Esquire, hereby certifies as follows:

1. I represented the debtor in connection with the following proceeding in debtor's Chapter 13 case:

- Prosecution of motion on behalf of debtor. \$300
Nature of motion:
Hearing date(s):
Disposition:
Defense of motion on behalf of debtor. \$250
Nature of motion:
Hearing date(s):
Disposition:
Filing and appearance on amended Chapter 13 plan. \$150
Preparation of Wage Order. \$100

2. To date, in this case:
I have applied for fees (including original retainer) in the amount of:
To date, I have received:

3. I seek compensation for services rendered in the amount of \$ payable:
through the Chapter 13 plan as an administrative priority.
outside the plan.

4. This fee will not impact on plan payments.
This fee will impact on plan payments.
Present plan: \$ per month for months.
Proposed plan: \$ per month for months.

5. I certify that I have not filed any fee application within the last 120 days.

Dated: [Signature of applicant]

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re _____ : Case No. _____
: _____
Debtor(s) : _____

ORDER GRANTING SUPPLEMENTAL CHAPTER 13 FEES

The applicant having certified to additional legal work having been done after entry of the confirmation order and the debtor having not objected to the aforesaid fees:

It is on this ____ day of _____, 200__.

ORDERED that _____, the applicant, is allowed a fee of \$ _____ for services rendered as set forth in applicant's Certification of Debtor's Counsel Supporting Supplemental Chapter 13 Fee. The allowance shall be payable:

_____ through the Chapter 13 plan as an administrative priority.

_____ outside the plan.

The debtor's monthly plan is modified to require a payment of \$ _____ per month for _____ months to allow for payment of the aforesaid fee.

United States Bankruptcy Judge

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

In re: _____ : Case No.: _____

_____ : Chapter 13

Debtor _____ :

_____ : **ORDER TO EMPLOYER TO PAY TO THE**
CHAPTER 13 STANDING TRUSTEE

The above-named debtor has filed a proceeding under Chapter 13 of Title 11 of the United States Code. The debtor's future earnings have been submitted to the jurisdiction of this Court, in furtherance of the debtor's Chapter 13 plan.

NOW, THEREFORE, PURSUANT to 11 U.S.C. § 1325(c) and § 105, IT IS ORDERED that, until further order of this Court, the employer or other party providing income to said debtor shall deduct from the earnings or income of said debtor the following sums each pay period, beginning on the next pay day following receipt of this order, and shall deduct the same amount for each pay period thereafter, including any period for which the debtor receives periodic or lump sum payment for or on account of vacation, termination or other benefits, arising out of present or past employment of the debtor, and to forthwith remit the sum so deducted to the Chapter 13 Standing Trustee.

**Debtor's Employer and
Address:**

**Trustee to Whom Payments
Must be Forwarded:**

**Amount to be Deducted
and paid Per Pay Period:**
 Monthly ___ Bi-Weekly ___ Weekly ___ \$ _____

IT IS FURTHER ORDERED that the employer or other party making payments shall note the

debtor's name and bankruptcy case number on the checks to the trustee.

IT IS FURTHER ORDERED that said employer or other party shall notify said trustee and mortgagee(s) if the earnings or income of said debtor are terminated, and the reasons for such termination.

IT IS FURTHER ORDERED that all earnings and wages of the debtor, except the amounts required to be withheld by the provisions of any laws of the United States, the laws of any State or political subdivision, or by any insurance, pension or union dues agreement between employer and the debtor, or by the order of this court, shall be paid to the debtor in accordance with employer's usual payroll procedure.

IT IS FURTHER ORDERED that no deduction for or on account of any garnishment, wage assignment, credit union or other purpose not specifically authorized by this Court shall be made from the earnings of said debtor.

IT IS FURTHER ORDERED that an order dismissing the debtor's bankruptcy case shall constitute a termination of the requirement to make payments under this order.

IT IS FURTHER ORDERED that this order supersedes previous orders, if any, made to the subject employer or other party in this cause.

IT IS FURTHER ORDERED that the attorney for the debtor shall serve copies of this order on the employer or other party, the trustee, and the mortgagee(s) within five days.

Dated:

UNITED STATES BANKRUPTCY JUDGE

IT IS A VIOLATION OF 15 U.S.C. § 1674 AND N.J.S.A. 2A:170-90.4 FOR AN EMPLOYER TO DISCHARGE AN EMPLOYEE OR TAKE ANY OTHER DISCIPLINARY ACTION BECAUSE OF A WAGE GARNISHMENT. AN EMPLOYER VIOLATING SAID STATUTES IS SUBJECT TO FINES AND IMPRISONMENT.

PROPOSED AMENDMENT:

D.N.J. LBR 2016-1 *COMPENSATION OF PROFESSIONALS*

(j) *Chapter 13.* (1) If the fee of the attorney for the debtor disclosed pursuant to Fed. R. Bankr. P. 2016(b) exceeds \$1,500.00 \$2,000.00, the attorney for the debtor shall file and serve on the Chapter 13 trustee and the debtor an application for allowances not less than 7 days before the confirmation hearing. Any supplemental applications shall be filed in accordance with this rule and shall be served upon the debtor and the chapter 13 trustee. The application shall contain a statement of services rendered and itemization of expenses including those set forth in (a)(2), (3), (4), (5), and (7) of this rule. The Court may rule upon the application at the time of the confirmation hearing or after notice and hearing.

(2) For supplemental fee applications of up to \$1,000.00 per application, for the services listed in D.N.J. Local Form 13, the attorney for the debtor may submit D.N.J. Local Forms 13 and 14. Such applications shall be served on the Chapter 13 trustee and the debtor.

(3) Any other supplemental applications shall be filed in accordance with section (a) of this rule and shall be served on the Chapter 13 trustee and the debtor. If the supplemental application is for an amount in excess of \$1,000.00, the clerk shall issue notice of hearing as required by Fed. R. Bankr. P. 2002(a)(6) for a date on which chapter 13 cases are heard.

(4) Supplemental fee applications shall be submitted not more than once every 120 days.

[Additional] Comments: Subsection (j) amended [date] 2001; these amendments include increasing the fee dollar amount from \$1,500.00 to \$2,000.00 and the addition of subparts (2), (3) and (4).