



UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
1800 5th AVENUE NORTH
BIRMINGHAM, ALABAMA 35203
(205) 714-4000
www.alnb.uscourts.gov

August 16, 2022

Chapter 13 Maximum Attorney Compensation Exempt from Fee Application
Effective for Cases Filed On or After October 1, 2022
(See Bankr. N.D. Ala. R. 2016-1(1))

Pursuant to Bankr. N.D. Ala. R. 2016-1(l), an attorney representing a debtor in a chapter 13 case is relieved from filing a detailed application for compensation as required by Fed. R. Bankr. P. 2016, provided the attorney meets all the conditions and requirements listed in Bankr. N.D. Ala. R. 2016-1(l), including charging total compensation that does not exceed \$4,500.00 for debtors (an "Exempt Fee"). In all cases, a disclosure of compensation shall be filed in accordance with 11 U.S.C. § 329 and Fed. R. Bankr. P. 2016(b) setting forth the fee sought. If an Exempt Fee is charged in a case, no other fee may be charged or collected by debtor's counsel without prior court approval, except filing fees and actual costs of each amendment to the schedules, provided the amendment is not attributed to attorney error, tardiness, or oversight.

Notwithstanding the above, the Court may, *sua sponte*, in its discretion or upon the recommendation of the chapter 13 trustee, the U.S. Bankruptcy Administrator, or other party in interest, after notice and an opportunity for hearing, and for cause (including, without limitation, failure to timely file a plan and schedules and necessary amendments thereto, attend the § 341 meeting of creditors, promote plan confirmation as early as practicable, appear at contested confirmation hearings or other scheduled meetings and hearings), reduce any fee an attorney proposes to charge in a case, including an Exempt Fee, if the court determines that the work performed by the attorney does not justify the amount of such fee. In addition, the court may, in its discretion, or upon the recommendation of the chapter 13 trustee, U.S. Bankruptcy Administrator, or other party in interest, revoke the Exempt-Fee privilege, and require a formal fee application in all cases filed by an attorney and the attorney's firm, who exhibit a pattern of deficient representation (including, but not limited to, habitually filing improper, inaccurate, untimely, or deficient case documents; or demonstrating a lack of sufficient knowledge of applicable bankruptcy laws or rules).

Anything to the contrary notwithstanding, individual judges, in their discretion, may enhance compensation above the Exempt Fee amount for exceptional work and representation, or due to the complexity of a case, either on a case-by-case basis or based on criteria specified in that judge's standing order. Also, individual judges, in their discretion, may reduce compensation below the Exempt Fee amount based on the simplicity of the case or other aspects that inherently require less work and expertise, either on a case-by-case basis or based on criteria specified in that judge's standing order.