

NOTICE TO BANKRUPTCY PRACTITIONERS
from the
EASTERN DISTRICT OF MICHIGAN CHAPTER 13 STANDING TRUSTEES
REGARDING CHANGING THE TIMING OF TAKING TRUSTEE FEES

Chapter 13 Trustees nationwide have been notified of a new policy instituted by the Executive Office of the United States Trustees (EOUST) concerning the timing of the percentage fees collected by Chapter 13 Trustees.

This new policy requires that Chapter 13 Trustees take and account for their percentage fee at the time of the receipt pursuant to 28 U.S.C. §586(e)(2). Previously Chapter 13 Trustees had collected the fee at the time of disbursement. Our District is scheduled to implement this change sometime in the 4th Quarter of calendar year 2014.

Once effective, a significant change from prior practice is that Chapter 13 Trustees will no longer seek the \$100.00 administrative fee award typically granted to Trustees pursuant to 11 U.S.C. §503(b) when cases are dismissed or converted prior to plan confirmation. We ask that members of the Bar review and update their standard form Orders of Dismissal and Orders of Conversion to delete any reference to those awards after implementation of this change. Note that this change will mean that fees will be taken on receipts in both confirmed and unconfirmed cases.

Further announcements will be made as EOUST offers more specifics on this new policy.

Please direct any questions to the Chapter 13 Trustees or their senior staff.