

May 1, 2026 Changes to Local Rules for Chapter 13 Cases

Last fall, a member of the local debtor's attorney bar contacted the court about increasing various fees and other suggested changes to the Local Rules governing Chapter 13 practice. At the court's suggestion, the attorney organized an ad hoc committee of Chapter 13 practitioners to investigate possible improvements. The committee presented its proposals to the court, the Chapter 13 trustees, and the Bankruptcy Administrator at the end of February. After considering the committee's recommendations, the court will make the following changes to improve Chapter 13 practice and account for inflation, effective May 1, 2026:

- The presumptive base fee for Chapter 13 debtor's attorneys will increase from \$5,000 to \$7,000;
- The presumptive non-base fee for substitute counsel in Chapter 13 cases will increase from \$500 to \$800;
 - o The court notes that the presumptive non-base fee for substitute counsel is intended for counsel who substitute into a Chapter 13 case in the middle of the case. Counsel who substitute in early in a case may request a more substantial fee up to the presumptive base fee (or more in the appropriate case).
- The Administrative Arrearage in Chapter 13 conduit cases will increase from three to four months with the goal of expediting the disbursement of the debtor's attorney's base fee;
 - o The committee presented other proposals intended to accelerate the disbursement of base and non-base fees. While the court is only adopting a one-month Administrative Arrearage adjustment at this time, it will monitor the impact of this change and possibly adopt additional measures in the future.
- Presumptive non-base fees that are currently \$350 or \$450 will increase to \$550, presumptive non-base fees that are currently \$200 will increase to \$300, and the court will adopt three new categories of presumptive non-base fees (motions to avoid judicial liens, to set aside dismissal, and to determine the amount of the secured claim of a governmental unit);
 - o For more detail about this change, please see the revision of Part 2 of Appendix D of the Local Rules attached as Exhibit 1 to the court's administrative order adopting these changes.

- The limit on the amount of credit that can be approved by the Chapter 13 trustee will increase from \$25,000 to \$35,000; and
 - o In addition, the court will authorize the Chapter 13 trustees to submit orders allowing the associated \$300 presumptive non-base fee for requests to the trustees for credit without a motion.
- Local Forms 3 and 4 will be revised to incorporate these changes.

The court hopes that these updates will improve Chapter 13 practice in the Western District of North Carolina. Practitioners and other members of the public with additional suggestions about how to improve local bankruptcy practice are encouraged to contact the court.