

LOCAL BANKRUPTCY FORM 2016-2(a)**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA****IN RE:****CHAPTER: 13****Debtor(s) | CASE NO.****RIGHTS AND RESPONSIBILITIES AGREEMENT BETWEEN
CHAPTER 13 DEBTORS AND THEIR ATTORNEYS**

It is important for persons who file for bankruptcy under Chapter 13 to understand their rights and responsibilities. It is also important for them to know what their attorneys' responsibilities are and to appreciate the necessity of communicating openly with their attorneys to achieve successful results. These clients are entitled to expect certain services to be performed by their attorneys. The following Rights and Responsibilities Agreement has been adopted by the Bankruptcy Court for the Middle District of Pennsylvania. By signing this Rights and Responsibilities Agreement, attorneys and their clients accept the responsibilities outlined in this Agreement.

Under the rules of the Bankruptcy Court an attorney who files a bankruptcy case or who appears on behalf of a client filing for bankruptcy, other than as special counsel, is required to represent the client throughout the case, unless the client hires a new attorney or decides to represent himself or herself. However, an attorney may ask the Bankruptcy Court for permission to withdraw from a case. An attorney may request the Bankruptcy Court to approve additional fees, beyond those described in the Agreement, but only after the client has been given an opportunity to object and Court approval is obtained.

NOTICE TO ATTORNEYS: Attorneys have additional responsibilities which are imposed by the Bankruptcy Code and the Rules of Professional Conduct.

NOTICE TO CLIENTS: Your attorney may be unable to provide the services described in this Agreement if you do not provide accurate and complete information promptly and if you do not cooperate with your attorney during your case.

BEFORE THE CASE IS FILED:**You agree to:**

1. Provide your attorney with complete and accurate financial information, as promptly as possible, including any forms your attorney asks you to complete and copies of any documents that have been requested.

2. Discuss your financial goals with your attorney.
3. Review all documents prepared by your attorney, advise your attorney about any necessary corrections or additions, and ask for explanations of any statements that you do not understand.

Your attorney agrees to:

1. Meet with you to review your debts, assets, liabilities, income, and expenses.
2. Discuss with you alternatives to bankruptcy, credit counseling, and the availability of relief under other chapters of the Bankruptcy Code.
3. Make all the disclosures required of your attorney as a debt relief agency.
4. Discuss the terms under which your attorney will represent you and prepare a written agreement describing the fee arrangement, including how your attorney will be paid.
5. Explain the expenses, in addition to attorneys fees, that will be incurred or may be incurred by you and how they must be paid.
6. Explain to you which payments must be made directly to creditors and which payments must be made to the Chapter 13 trustee.
7. Explain to you where to submit Chapter 13 plan payments, when to begin making payments, and the day of the month payments are due.
8. Explain to you the importance of insuring that your attorney is informed as to all changes in your contact information, including your phone number, mailing address, any email address, and place of employment.
9. Explain to you the consequences of failing to make direct payments to creditors, such as mortgage and auto payments, and failing to make payments to the Chapter 13 trustee.
10. Advise you concerning your obligation to attend the meeting of creditors.
11. Advise you of the necessity of maintaining appropriate insurance, such as homeowner's insurance and liability, collision, and comprehensive insurance on vehicles.
12. Timely prepare, file, and serve the bankruptcy petition, as well as statements, schedules, the plan, and other required documents and certificates, unless these documents are filed after the petition as permitted under the Bankruptcy Rules.

AFTER THE CASE IS FILED:

You agree to:

1. Begin making plan payments to the Chapter 13 trustee as instructed by your attorney.
2. Attend the meeting of creditors and any other court proceeding for which you receive notice unless informed by your attorney that your presence is not necessary.
3. Review and comply with notices you receive from the Court and respond to communications from your attorney.

4. Keep your attorney and the Chapter 13 trustee informed of any changes to your contact information, including phone numbers and mailing addresses.
5. Keep your attorney informed of any significant changes in your situation, including job loss or layoff, significant health problems requiring absence from work, and divorce or separation.
6. Inform your attorney immediately if contacted by a creditor or if any action is taken against any of your assets or against you.
7. Contact your attorney before buying, selling, or refinancing major assets such as a home or vehicle.
8. Promptly provide copies of all documents requested by your attorney.
9. Reimburse your attorney for all fees paid to third parties and charges advanced on your behalf (for example, credit counseling fees or credit report charges) unless your attorney agrees that these amounts will be paid through the plan.

The attorney agrees to provide all services necessary for representation and specifically to:

1. Submit to the Chapter 13 trustee properly documented proof of all sources of income and most recently filed tax return for you.
2. Appear at the meeting of creditors with you.
3. Respond to objections to plan confirmation and, where necessary, prepare an amended plan.
4. Prepare, file, and serve all statements, schedules, and the plan (if not filed with the petition) as well as any required amendments to any of these documents.
5. Prepare, file, and serve motions to buy, sell, or refinance real estate or personal property.
6. Review the file to ascertain if all required tax returns were filed and obtain and file the Pre-Confirmation Certification.
7. Obtain the Domestic Support Obligation Certification, if necessary, and forward it to the Chapter 13 trustee.
8. Attempt to obtain all secured Proofs of Claim, and/or prepare and file Proofs of Claim on behalf of creditors provided for in the plan, when appropriate.
9. Prepare, file, and serve objections to claims, if necessary.
10. Notify you of any pleading seeking relief against you and provide you with a deadline by which you must contact your attorney to discuss a response to the pleading, which also will explain possible consequences if you fail to respond.
11. Represent you at all hearings in which you have sought relief or have filed a response to a pleading seeking relief unless the matter has been settled. This does not include representation at adversary hearings.
12. Review any Transfer of Claims and any Notice of Mortgage Payment Change and advise of same, if necessary.

13. Prepare and serve any Motion to Suspend Trustee Payments.
14. Prepare and file any Motion for Wage Attachment for the Chapter 13 trustee or other secured creditor.
15. After your plan is confirmed, prepare and file any necessary motions to modify the confirmed plan and modified plans.
16. Explain to you what services will require the payment of additional legal fees and how those fees will be requested from the Court and that they may require the filing of an amended or modified plan. This explanation will include a discussion of what types of issues must be resolved through adversary proceedings.
17. Provide you with copies of all applications for the payment of fees for legal services, including time records, if required, before the applications are filed with the Bankruptcy Court.
18. Assist you in monitoring the status of your plan payments and in resolving any discrepancies between your records and those of the Chapter 13 trustee.
19. When appropriate, file motions to extend or impose the automatic stay.
20. If you qualify, assist you in attempting to obtain a mortgage modification. This only includes a modification which is necessary to obtain confirmation of the plan.
21. Respond promptly to your questions and communications throughout the term of the plan.
22. Advise you as to the requirement to complete an instructional course in personal financial management and the consequences of not doing so.
23. Advise you as to the requirements to complete the Debtors Certification Regarding Domestic Support Obligations and the consequences of not doing so.
24. Obtain a “No Position Letter” from the Chapter 13 trustee or file a Motion to Incur Debt and serve same.
25. Timely notify you when a hearing has been rescheduled or when a hearing is no longer required.
26. Review the Notice of Final Cure Payment and any response to the Notice of Final Cure Payment, and, if necessary, prepare and file a Motion for Determination of Final Cure and Payment of All Post-Petition Payments.
27. Prepare a Motion for Early and/or Hardship Discharge if the facts and law support same.

SUMMARY OF AGREEMENT FOR PAYMENT OF ATTORNEY’S FEES

The Bankruptcy Court has adopted a “presumptively reasonable fee” of **\$5,000.00** for legal services provided through the confirmation of a Chapter 13 plan. If you operate a business and the Chapter 13 trustee requires you to provide a business examination report or if you hold the controlling interest in a corporation or LLC that is operating a business, the Court has determined that an additional **\$1000.00** fee for legal services is also presumptively reasonable. In addition, if

your plan provides for future mortgage payments to be made through the plan (“conduit plan”) rather than directly to the mortgage company, an additional **\$600.00** fee has been determined to be presumptively reasonable. Debtor(s’) counsel will be allowed to charge an additional fee of \$600.00 for amending the plan post-confirmation due to late Proofs of Claim being filed, adding post-petition payments to the plan, to resolve a Motion to Dismiss for material default, change in financial circumstances, or extending the plan term due to the Debtor(s) request. Counsel may elect either to accept an additional \$600.00 fee for a post-confirmation plan amendment, or counsel may request compensation for same if the time and expense incurred exceeds \$600.00. The cost of serving the modified plan will be your responsibility and must be reimbursed by you. Debtor(s’) counsel will not be allowed to charge the additional legal fee of \$600.00 for making minor changes, such as changing the name of a creditor. In addition, Debtor(s’) counsel will be allowed to charge additional legal fees for preparing, filing, and serving a Motion to Sell Real or Personal Property. The fee will be disclosed in the Motion, Notice, and Order and served on all creditors. No fee application is required. The attorney fee will be paid at closing. In the event that the sale does not proceed to closing, Debtor(s’) counsel will be allowed to file a Fee Application to collect said fees. Debtor(s’) counsel will be allowed to collect the sale motion filing fee prior to filing the Motion to Sell, without Court approval.

These “presumptively reasonable fees” are neither minimum nor maximum fees for Chapter 13 cases. If an attorney agrees to perform the services set forth in this Rights and Responsibilities Agreement and to charge no more for these services than is described above, the attorney is not required to file a fee application detailing the work performed through the confirmation of a plan. If you and your attorney agree that you will pay for services provided based on an hourly rate, or through some other arrangement, the attorney must submit an application to the Court with time records to obtain approval of the fees. In addition, even if an attorney has agreed to accept a “presumptively reasonable fee” for services through the confirmation of a plan, the attorney must submit fee applications and obtain Court approval for any additional fees charged for services related to adversary proceedings or for services provided after a plan is confirmed.

In this case the parties agree that the legal fees for services to be provided through the confirmation of a plan, excluding adversary proceedings will be (complete one of the following boxes:)

- ☐ \$ _____, the presumptively reasonable fee
- ☐ \$ _____ per hour, to be adjusted in accordance with the terms of the written fee agreement between you and your attorney (describe material terms of fee agreement or attach fee agreement).

Other than the initial retainer, your attorney may not receive fees directly from you after your bankruptcy case is filed. All other attorney’s fees must be paid through the Chapter 13 Plan unless otherwise ordered by the Bankruptcy Court. These fees are separate from and in addition to any filing fees that you must pay when documents are filed by your attorney with the Bankruptcy Court.

If you dispute the legal services provided or the fees charged by your attorney, you may file an objection with the Bankruptcy Court. If your attorney believes that he or she cannot continue to represent you due to lack of cooperation or because of an ethical conflict, your attorney may request the Bankruptcy Court to permit him or her to withdraw from your case. You will receive notice of a request to withdraw and may contest the request at a hearing before the Court.

IN NO CASE SHALL YOUR ATTORNEY BE REQUIRED TO FILE A MOTION, PLAN, OBJECTION, OR ANSWER THAT IS NOT SUPPORTED BY CURRENT LAW.

Client: By signing this Rights and Responsibilities Agreement, I certify that have read the Agreement and understand and agree to carry out the terms to the best of my ability. I understand I am entitled to receive a signed copy of the Agreement.

Attorney: By signing this Agreement, your attorney certifies that he or she has reviewed this Agreement with you and answered your questions and that he or she agrees to perform the services described.

_____ Client	_____ Date
_____ Client	_____ Date
_____ Attorney	_____ Date

Instructions: This Agreement is not to be filed with the Court. The original must be retained by the attorney and a copy provided to the client.