

Proposed change to the local rules for the United States Bankruptcy Court for the Northern District of Indiana. New material is indicated by **redline**, and deleted material is indicated by ~~strikeout~~.

B-2016-1
Presumptively Reasonable Attorney's Fees in Chapter 13 Cases

(a) Four thousand five hundred dollars (\$4,500.00) is presumed to be a reasonable attorney's fee for counsel's services representing a debtor in a routine, consumer case under Chapter 13. This presumption may be rebutted in the event of an objection to the award of such a fee.

(b) A fee that does not exceed the presumptively reasonable fee may be awarded, following notice to all creditors, either upon application or through the additional provisions (part 8.1) of a confirmed plan without the need for counsel to provide supporting documentation, such as time records, concerning counsel's services.

(c) If a case is dismissed or counsel's services terminate prior to discharge, the court may, on the motion of any party in interest, review the reasonableness of any presumptively reasonable fee awarded pursuant to this rule.

(d) Counsel may apply for fees in excess of the presumptively reasonable fee for extraordinary, unusual, or unanticipated legal services. Such an application must be accompanied by supporting documentation demonstrating the reasonable value of those services.

(e) The presumptively reasonable fee is subject to review by the court no less than once every three (3) years based upon data which should include demonstrating the actual costs and expenses incurred for counsel's services in routine consumer cases under Chapter 13 involving multiple debtors from multiple attorneys.

HISTORICAL AND REGULATORY NOTES

By Order Amending Local Bankruptcy Rules dated July 27, 2026, this rule was revised to increase the presumptively reasonable fee amount to \$4,500.00.

This new rule was adopted by Order Amending Local Bankruptcy Rules dated April 22, 2022. The original /s/ order had a typographical error, which was corrected prior to wet signature. Date of original order remains valid.

COMMENTARY

The procedure established by this rule provides counsel an alternative to filing a formal fee application or motion for approval of fees pursuant to 11 U.S.C. § 330. Where counsel's fees do not exceed the presumptively reasonable amount, counsel may obtain fee approval through the plan confirmation process or by application, without the burden of submitting detailed supporting documentation.

The presumptively reasonable fee is intended to compensate counsel for the full scope of services rendered throughout the life of the case, from the filing of the petition through the debtor's receipt of a discharge. It is not intended to cover only a portion of the case or specific discrete services.

Where, because of extraordinary, unusual, or unanticipated circumstances, counsel's fee exceeds the presumptively reasonable amount, counsel may file an application for additional compensation pursuant to the fourth paragraph of this rule. Any such application must be accompanied by time records sufficient to demonstrate the reasonable value of the services rendered. Time records submitted in support of such an application should reflect all time expended in the case, not merely the time attributable to services rendered after the initial award under this rule, so that the court may assess the total compensation sought in relation to the nature and complexity of the matter.

The presumptively reasonable fee established by this rule is subject to periodic review no less than once every three years. The purpose of this review is to ensure that the presumptive amount continues to reflect the actual cost of competent legal representation of a Chapter 13 debtor from filing through discharge.

In connection with any such review, the court will require an adequate demonstration of the actual costs and expenses incurred by counsel in representing Chapter 13 debtors in this district. Attorneys practicing in Chapter 13 cases are therefore encouraged to maintain contemporaneous records of time spent and expenses incurred in their cases, even where counsel intends to seek fees only at the presumptively reasonable amount. Such records will provide the most reliable basis for evaluating whether an adjustment to the presumptive fee is warranted.

The three-year review is not intended to be adversarial in nature, but rather an administrative process through which the court may assess whether the presumptive amount remains adequate, excessive, or insufficient in light of current practice conditions. Factors the court may consider in conducting this review include prevailing hourly rates in the district, the average time required to represent a debtor through confirmation and discharge, and any changes in the complexity or volume of Chapter 13 practice attributable to amendments to the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or these local rules.