

United States Bankruptcy Court, Southern District of Alabama
Quarterly Bankruptcy Section Meeting, May 14, 2024

1. Herman Padgett, Section Chair
2. Judges Callaway and Oldshue
 - Mortgage loan modification motions filed by chapter 13 debtors
 - Unclaimed funds
<https://ucfl.uscourts.gov>
Procedure is on local website under “General Information,” then “Unclaimed Funds”
 - Chapter 13 – Talk with trustee/opposing counsel ahead of time, please.
 - CARES program (Credit Abuse Resistance Education) – local interest?
 - Student loan attestation process – time may be running out
ALMB administrative order attached
 - Case numbers – slow increase (see attached chart)
 - Send CLE info to Jennifer Morgan
3. Andrea Redmon, Clerk of Court
4. Mark Zimlich, Bankruptcy Administrator
5. Chris Conte, Chapter 13 Trustee
 - Submission of tax values prior to 341 meetings
6. Consumer committee – Stephen Klimjack
7. Business committee – Danielle Mashburn-Myrick
8. Evan Parrott – Bankruptcy at the Beach seminar May 31-June 1
9. Open the floor
10. Next meeting Tuesday, August 20, 2024 – jury assembly room, second floor of Federal Courthouse, with Microsoft Teams component.

Monthly bankruptcy filings in the Southern District of Alabama since January 2019

600

500

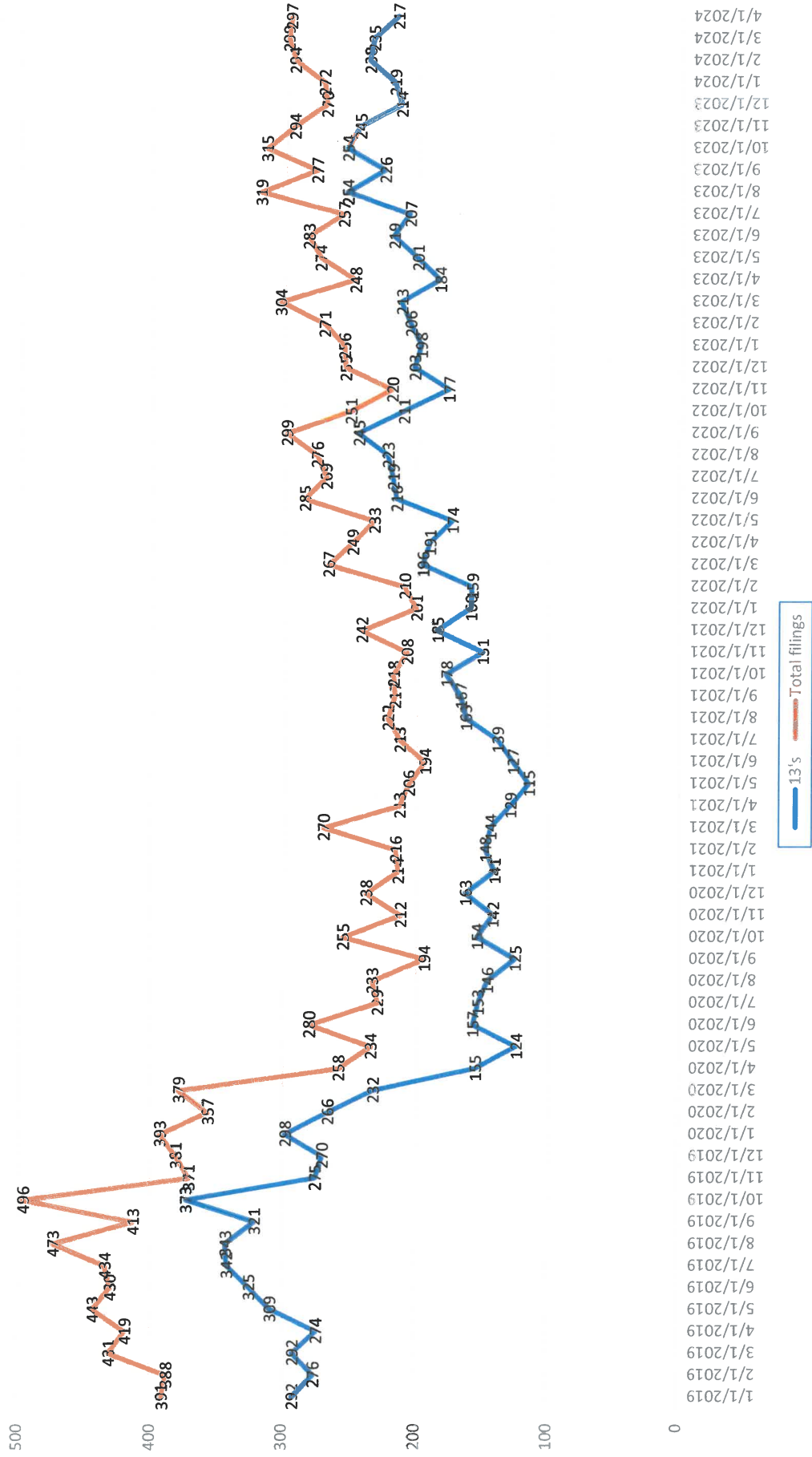
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**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA**

In re:

COMPENSATION OF DEBTOR'S
ATTORNEY IN STUDENT LOAN
DISCHARGEABILITY ACTIONS
(EFFECTIVE MARCH 12, 2024)

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Administrative Order No. 2024-01

ADMINISTRATIVE ORDER

This Order provides presumptively reasonable fees for: 1) conducting due diligence on behalf of a debtor with respect to the potential pursuit of an adversary proceeding to discharge student loan debt (an "Student Loan Undue Hardship Proceeding"); and 2) prosecuting a Student Loan Undue Hardship Proceeding to a consensual resolution.

Therefore, it is ORDERED that:

1. With respect to any fees sought pursuant to this Order, a disclosure of compensation shall be filed in accordance with 11 U.S.C. § 329 and FED. R. BANKR. PROC. 2016(b) setting forth the fee sought.
2. A fee of \$500.00 (the "Pre-Litigation Fee") is presumed to be the maximum reasonable compensation that may be awarded for an attorney's due diligence on behalf of a debtor to determine whether a Student Loan Undue Hardship Proceeding is advisable. The services to be provided in connection with the Pre-Litigation Fee include, without limitation:
 - a. Facilitating the debtor's recovery of the debtor's National Student Loan Data System file;
 - b. Reviewing the National Student Loan Data System file and gathering any other information pertaining to the debtor's student loan balances;
 - c. Assessing the debtor's current and future ability to repay the student loans;

- d. Evaluating the debtor's past efforts at repaying or managing the student loans;
 - e. Obtaining supporting documents, including income and expense documentation; and
 - f. Providing guidance to the debtor regarding prospects for success in a Student Loan Undue Hardship Proceeding.
3. If the debtor decides to move forward, a fee of \$2,000.00 (the "Consensual Litigation Fee") is presumed to be the maximum reasonable compensation that may be awarded for an attorney's representation of a debtor in a Student Loan Undue Hardship Proceeding through the entry of a stipulation and entry of a consent judgment discharging all or part of the debtor's student loan debts. The services to be provided in connection with the Consensual Litigation Fee include, without limitation:
- a. Commencing the Student Loan Undue Hardship Proceeding by filing and properly serving a complaint;
 - b. Submitting an attestation in a form acceptable to the Department of Justice, the United States Attorney for the district in which the complaint is filed, and the United States Department of Education;
 - c. Providing any additional supporting documentation requested by the United State Attorney;
 - d. Reviewing, editing and submitting a joint stipulation as to the facts supporting a full or partial discharge of the debtor's student loan debt;
 - e. Attending all scheduled hearings in the Student Loan Undue Hardship Proceeding through the entry of a consent judgment fully or partially discharging the debtor's student loan debt; and
 - f. If the Department of Education will not stipulate to the dischargeability of the student loan debt or the debtor refuses to accept a stipulation of partial discharge, preparing a joint stipulation for dismissal of the complaint and termination of the Student Loan Hardship Proceeding, unless the debtor chooses to proceed with the litigation and enters into a separate agreement for

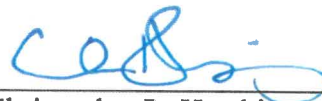
continued representation on a basis agreeable to the debtor and the debtor's attorney.

4. Counsel may seek additional compensation by separate application attaching contemporaneous time records for extraordinary services provided prior to and during the Student Loan Undue Hardship Proceeding.
5. The Bankruptcy Administrator, the Debtor, any party in interest, or the Court – *sua sponte* – may in any case challenge the reasonableness of compensation awarded under this Order and for this purpose may request the filing of an application pursuant to 11 U.S.C. § 330 and FED. R. BANKR. PROC. 2016.
6. Unless extended by separate order of the Court, this Order shall expire and be of no further effect with respect to due diligence performed under Paragraph 2 or Student Loan Undue Hardship Proceedings commenced under Paragraph 3 on or after March 13, 2026.

Done this the 12th day of March, 2024.



Bess M. Parrish Creswell
Chief United States Bankruptcy Judge



Christopher L. Hawkins
United States Bankruptcy Judge