

VBA BANKRUPTCY LAW SECTION
Bench-Bar Brown Bag Lunch Meeting
with Hon. Colleen A. Brown, U.S. Bankruptcy Judge

Tuesday, September 30, 2014

United States Bankruptcy Court, US Post Office and Courthouse – Rutland
12:00 - 1:00 PM

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| 1. | Change in procedure for collection of Ch 13 Trustee fees
- Letter from Bill Harrington (attached) | Lisa Penpraze |
| 2. | Update re Mortgage Mediation Task Force
- change in local rule standing order to be sent out for comment in next few weeks
- some changes relate to need to collect data for state to track mortgage modifications
- other changes intended to make process more expedient
- also considering changing name to loss mitigation / mortgage mediation rather than just mortgage mediation
- will impose additional reporting and supervisory responsibilities on mediators and corresponding increase in fee | Judge Brown |
| 3. | Update re joint CLE w/ Albany bar ass'n & transition to new section chair | Bob DiPalma |
| 4. | Update re: CM/ECF refresher training. Not well attended - suggestions? | Kathy Ford |
| 5. | Update re staffing - Chris leaving, Paula switching from IT to Finance | Kathy Ford |
| 6. | Hearing Schedule for 2015

- will be holding Burlington hearings on Wednesdays (should be in 1st fl courtroom by March or so)
- will be holding Rutland hearings on Fridays
- will continue to hold monthly VIT hearings (but some sites may be different - will notify bar as soon as set)
- anticipate finalizing and posting a schedule (at least thru Aug 2015) within 30 days | Judge Brown |
| 7. | National Chapter 13 Statistics (see attached) | Judge Brown |

These Bench-Bar lunch meetings are coordinated by the Bankruptcy Court
Have a question about them?
Call Kathy Ford at 802-776-2003 or e-mail her at kathleen_ford@vtb.uscourts.gov
No fee and no pre-registration required.
Soft drinks and bottled water will be provided.



U.S. Department of Justice
Office of the United States Trustee
Region 2
(Districts of New York, Connecticut and Vermont)

U.S. Federal Office Building
201 Varick Street, Room 1006
New York, NY 10014
Phone: (212) 510-0500
Fax: (212) 668-2255

September 10, 2014

Via Email and First Class Mail

The Honorable Colleen A. Brown
Chief Judge, United States Bankruptcy Court
District of Vermont
151 West Street, Room 401
PO Box 6648
Rutland, VT 05702

Re: Chapter 13 Trustee Fees

Dear Chief Judge Brown:

In August 2014, the Office of the United States Trustee held its annual Chapter 13 Standing Trustee Conference (the "Conference"), which was attended by all of the standing trustees in Region 2. A significant change in United States Trustee policy and procedures was announced at the Conference and will take effect on October 1, 2014. After October 1, 2014, standing trustees will begin to collect percentage fees upon receipt of payment rather than at the time of disbursement.

As I am sure you are aware, cases that have interpreted the provisions of 28 USC §586(e)(2) provide differing results. The U.S. Trustee Program has looked closely at this issue and has decided to change its position regarding the timing of the collection of the percentage fee. The current practice has been for the trustees to earn the percentage fee upon receipt of payment but collect it upon disbursement. Effective October 1st, the fee will be collected from all funds on hand, and thereafter, on all payments received by the standing trustee under the plan at the time of receipt. The percentage fee will be transferred to the expense fund at least monthly. We are of the opinion that this procedure better reflects the language of the statute.

This change requires significant revisions to the case administration software and the procedures of the standing trustees. All of the software vendors were notified so that they could make the necessary software changes and all of the standing trustees have received training on the changes.

Carolyn Bankowski, one of the Chapter 13 trustees in Region 1, was one of fourteen trustees selected to pilot the changes over the summer. Carolyn instituted the change back in July 2014 without major incident. Since then, she has worked with our office to educate other trustees around the country including those in Region 2 regarding the change.

If you have any questions or would like to discuss this matter, please let me know.

Respectfully,


William K. Harrington
United States Trustee

Cc: Jan Michael Sensenich, Standing Chapter 13 Trustee
Lisa M. Penpraze, Assistant U.S. Trustee

Bankruptcy Statistics: Vermont

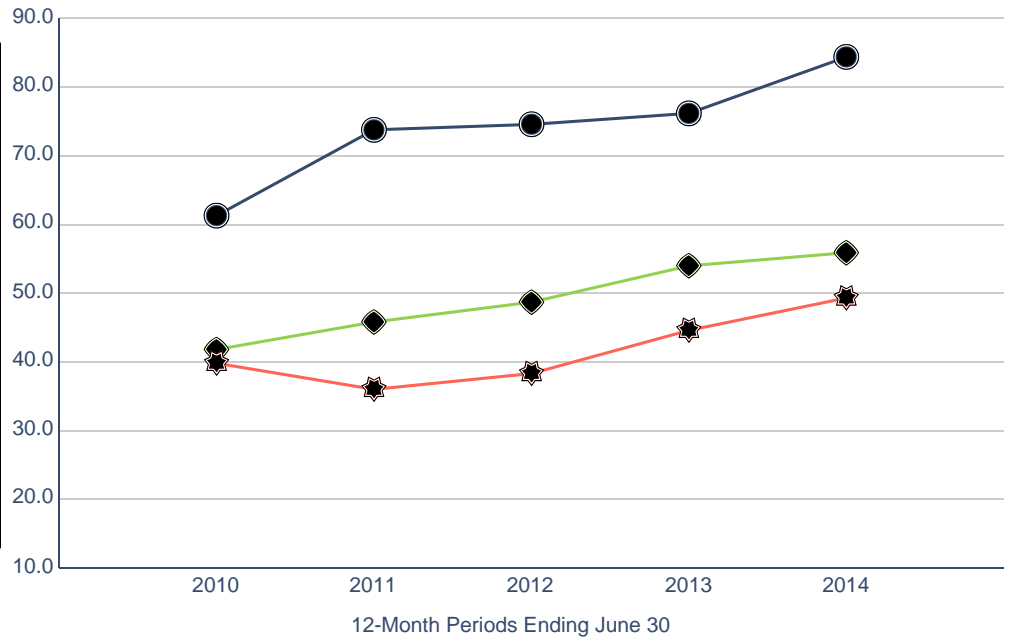
Select a District:

Vermont

- Total Bankruptcy Filings
- Bankruptcy Filings Per Judgeship
- Adversary Filings Per Judgeship
- Weighted Filings Per Judgeship
- Chapter 7 Filings (% of Total Filings)
- Chapter 13 Filings (% of Total Filings)
- Business Filings (% of Total Filings)
- Pro Se Filings (% of Total Filings)
- Median Chapter 7 Disposition (Months)
- Median Chapter 13 Disposition (Months)
- Percent of Chapter 13s Closed by Discharge**

Interactive Map

Percent of Chapter 13s Closed by Discharge



VT 2nd Circuit US

	2010	2011	2012	2013	2014	% Chg., 2013-14
VT	61.3	73.8	74.6	76.2	84.4	10.8%
2nd Circuit	41.8	45.8	48.7	54	55.9	3.5%
US	39.8	36	38.3	44.6	49.3	10.5%

Circuit Rank: 1 U.S. Rank: 1