



24th Annual VBA Bankruptcy Holiday CLE

November 22, 2024

AGENDA

Introduction

State of the Court

Federal and Local Rule Changes

District of Vermont Statistics

Pro Bono Efforts

STATE OF THE COURT

Rule Changes

Federal Rules
Local Rules
Standing Orders

CHANGES TO RULES 1007, 4004, 5009 AND 9006

Rule 1007 – Lists, Schedules, Statements, and Other Documents; Time to File

Rule 4004 – Granting or Denying a Discharge

Rule 5009 – Closing a Chapter 7, 12, 13 or 15 Declaring Liens Satisfied

Rule 9006 – Computing and Extending Time; Motions

- Amended Rule 1007(b)(7) no longer requires that the debtor submit an official form as evidence of taking a post-petition course in personal financial management. Instead, a certificate of completion issued by the course provider must be filed.
- Amendments to other parts of Rule 1007 and to Rules 4004, 5009 and 9006 change references to the “statement” embodied in the current Official Form to “certificate.”
- Official Form 423 ABROGATED.
- Form 2000 (Required Lists, Schedules, Statements and Fees) references Official Form 423 and will be updated.

Official Form 423

ABROGATED

CHANGES TO RULES 7001 and 8023.1

Rule 7001 – Types of Adversary Proceedings

- The amendment to Rule 7001(a) creates an exception from the general requirement that the recovery of money or property be sought by adversary proceeding. It would allow an individual debtor to instead proceed by motion under § 542(a) when seeking the turnover of tangible personal property such as an automobile, thereby permitting a swifter resolution of the matter.
- As noted by Justice Sotomayor in her concurrence in *City of Chicago v. Fulton*, 141 S. Ct. 585, 592-95 (2021), the more formal procedures applicable to adversary proceedings can be too time-consuming in such a situation. Instead, the debtor can now proceed by motion to require turnover of such property under § 542(a), and the procedures of FRBP 9014 will apply. In an appropriate case, however, FRBP 9014(c) allows the court to order that additional provisions of Part VII of the rules will apply to the matter.

Rule 8023.1 – Substitution of Parties

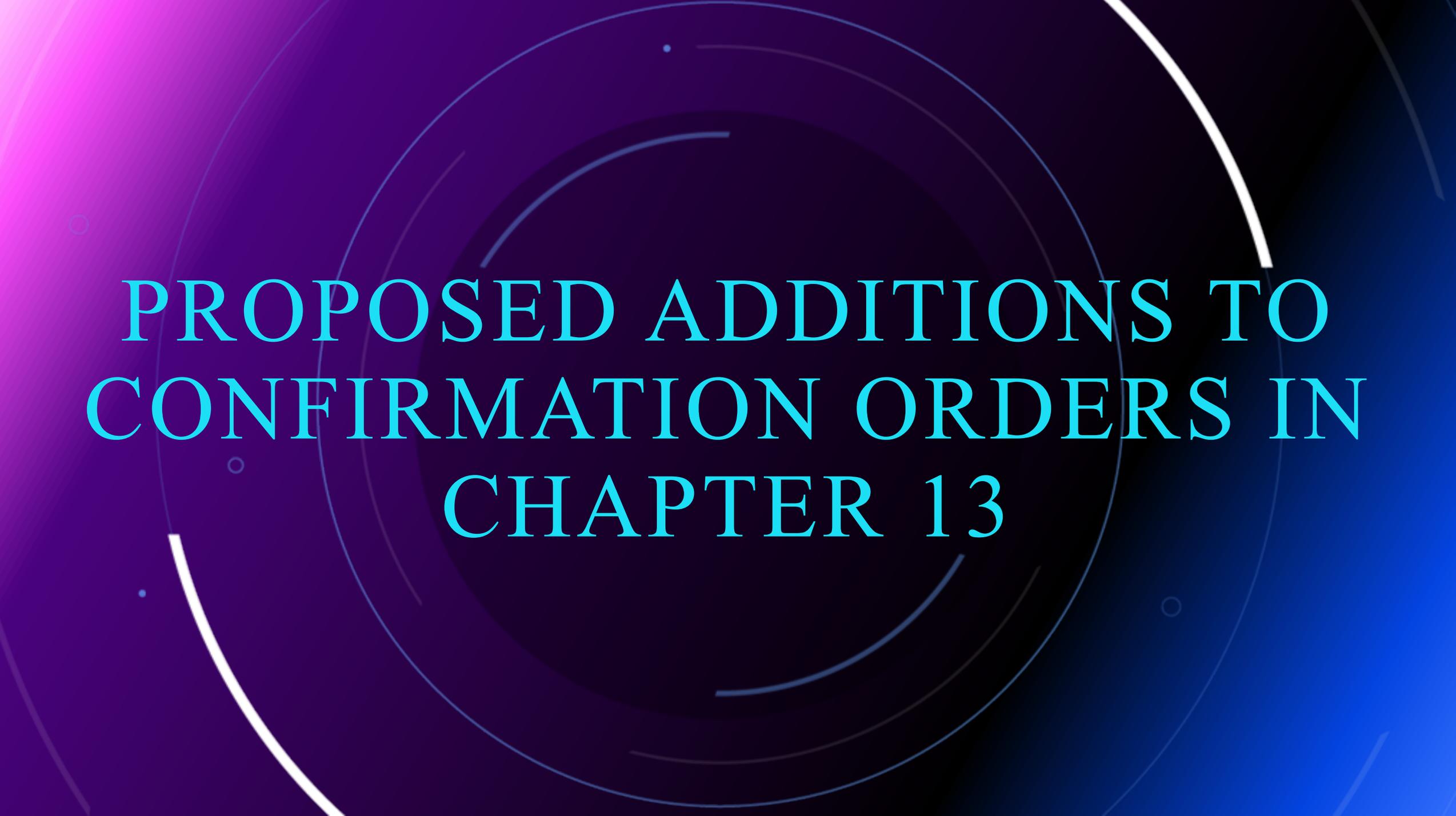
- Derived from FRAP 43 and governs substitution of parties upon death or for any other reason in appeals to the district court or bankruptcy appellate panel from a judgment, order, or decree of a bankruptcy court.

PROPOSED RULE CHANGES

DECEMBER 1, 2025

STANDING ORDERS

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PROPOSED ADDITIONS TO
CONFIRMATION ORDERS IN
CHAPTER 13

PROPOSED: Order of Distribution of Funds by the trustee

Absent the court ordering otherwise, funds received by the Trustee for distribution under a chapter 13 plan, net of applicable trustee fees, shall be disbursed to creditors under the confirmed plan, as follows:

First - Monthly contractual maintenance payments (including but not limited to conduit mortgage payments) as specified under paragraphs 3.1, 5.2, and 6.1 until up to date,

Second - Equal monthly payments on impaired secured claims as specified under paragraph 3.2 or 3.3 until up to date,

Third - Administrative expense claims, including attorneys' fees pursuant to paragraph 4.3, prorata, until paid in full,

Fourth - Secured arrearage and GAP claims pursuant to paragraph 3.1, 5.2, and 6.1 as well as other secured claims being paid in full without impairment pursuant to paragraph 3.3, pro rata, until paid in full,

Fifth - Allowed priority unsecured claims, prorata, until paid in full, and

Sixth - Allowed general unsecured claims, prorata, until paid pursuant to paragraph 5.3.

PROPOSED: Allowance of GAP Claims for Conduit Claims Being Paid by the Trustee

If this plan provides that the Trustee shall disburse monthly contractual maintenance payments to a creditor under paragraph 3.1, then said creditor shall be allowed an additional secured claim in an amount equal to 2 x the monthly maintenance payment as of the filing date (“GAP” claim). GAP claim(s) shall be paid by the trustee simultaneously with secured arrearage claims under paragraph 3.1.

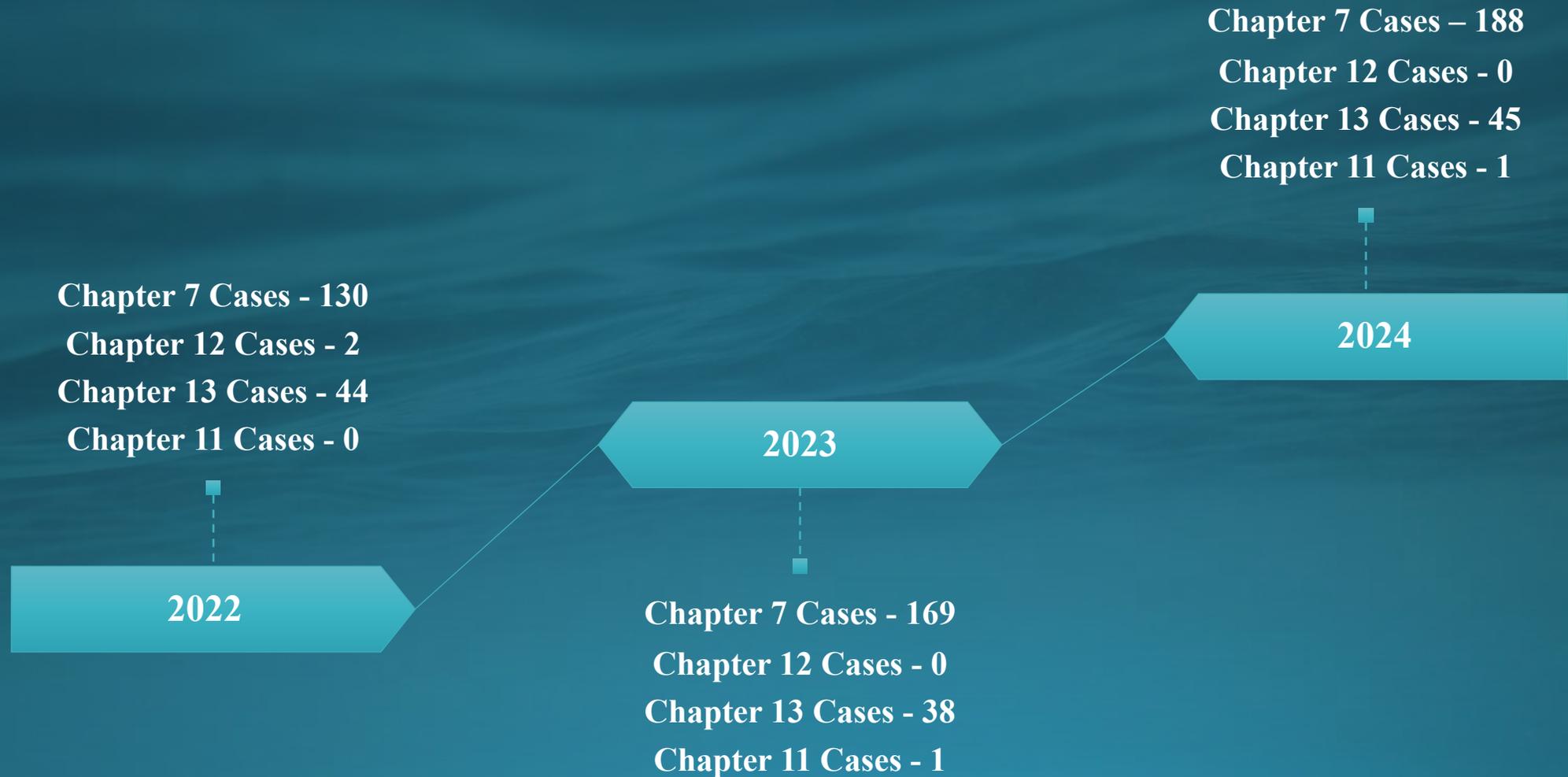
PROPOSED: Authorization of Pre-Confirmation Disbursements of Conduit Claims

If this plan provides that the Trustee shall disburse contractual maintenance payments to a creditor under paragraph 3.1, the Trustee is authorized to commence disbursement of those payments before confirmation of the plan in the month following the initial meeting of creditors or the filing of the creditor's proof of claim, whichever is later. Preconfirmation disbursements shall be in the amount required as set forth in the creditor's filed proof of claim.



STATISTICS

District of Vermont Filing Statistics





PRO BONO/ LOW BONO

**LEGAL SERVICES
OF VERMONT**

&

VERMONT LEGAL AID

Pro Bono and Reduced Fee Cases

Greg Fox 3

Nancy Geise 11

Don Hayes 1

Rebecca Rice 2

David Lynch 1

Michael Fisher 1

2024 Debtor Inquiries	Number of Cases
Filed	10
In Process of Filing or Deciding Whether to File	49
Over Income Limit	6
Decided Not to File or Failed to Follow Up	18
Referred for Chapter 13	1

2025 BENCH BAR MEETING DATES

February 11 – Burlington

April 25 – Rutland

July 22 – Burlington

September 12 – Rutland

THANK YOU

