

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

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**In re:**

**MODIFICATION OF THE LOCAL RULES  
OF PRACTICE AND PROCEDURE  
IN THE U.S. BANKRUPTCY COURT  
FOR THE DISTRICT OF VERMONT**

**STANDING ORDER # 24-01**

**REVISING LOCAL RULES 2016-1, 4004-2 AND 5010-1**

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Based upon amendments to the Federal Rules of Bankruptcy Procedure effective December 1, 2024, the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Vermont are hereby amended to delete reference to Official Form 423 (“Certification About a Financial Management Course”), as it has officially been abrogated as of December 1, 2024.

Accordingly, **IT IS HEREBY ORDERED** that Local Rule 2016-1 is revised to read as follows, with the changes redlined (and with clean copy attached):

**VT. LBR Rule 2016-1. COMPENSATION OF PROFESSIONALS.**

**(a) Fee Application Guidelines.**

- (1) Except as set forth in subparagraph (2) below, any entity seeking interim or final compensation for professional services rendered, or for reimbursement of expenses, must comply with (A) Bankruptcy Rule 2016, (B) 28 C.F.R. Appendix A to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (“United States Trustee Guidelines”), and (C) applicable case law. See also Local Rule 6005-1(e).
- (2) When the debtor’s petition lists \$50 million or more in assets and \$50 million or more in liabilities, any entity seeking interim or final compensation for professional services rendered must comply with (A) Bankruptcy Rule 2016, (B) 28 C. F. R. Appendix B to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases (“United States Trustee Guidelines for Larger Cases”), and (C) applicable case law.

**(b) Applications for Compensation of \$1,000 or Less.** When a professional seeks compensation in an amount equal to or less than \$1,000, the professional must file an application for compensation on 14 days’ notice to the United States Trustee. Such applications, whether made directly by a professional or on behalf of a professional, must include the professional’s name, complete mailing and street addresses, telephone number, and e-mail address. The Court will consider the application ripe for ruling on the earlier of (1) the filing of a response by the United States Trustee, or (2) the expiration of the 14-day notice period. No hearing shall be set on the application unless the Court deems a hearing is necessary.

**(c) Applications for Compensation Greater than \$1,000.** Professionals seeking compensation in an amount greater than \$1,000 must file a motion and may use the default procedure described in Local Rule 9013-4. See Local Rule 9013-4(b)(7).

- (d) **Certification Required.** Whenever a trustee or debtor (or, in a corporate case, the appropriate officer of the debtor) seeks approval of fees for a professional, they must specify in the application (or in a separate certification) that they have reviewed and support the application for fees as filed or, if they oppose the application to any extent, state the factual and legal basis for their objection(s). When a professional other than one retained by a debtor or trustee (e.g., a professional retained by an official or unofficial committee) seeks compensation from the estate, the executive officer or chairperson of the retaining entity must file a statement supporting or opposing the application.
- (e) **Retainers.** In a chapter 11 or 12 case, a professional may not draw down or take a payment from a retainer until the professional has an order of the Court authorizing the professional to do so, notwithstanding any agreements to the contrary between a debtor and the debtor's professionals.
- (f) **Requirement to File Fee Applications.** The Court, in the exercise of its discretion, may order a debtor's attorney to file a fee application in any case and may direct disgorgement of all or part of the fee if the Court finds the fee to be unreasonable or paid in violation of the Code, Bankruptcy Rules, or these Rules. See 11 U.S.C. § 329.
- (g) **Real Estate Brokers.** If approved in a retention order, a real estate broker may be paid the customary commission at closing, as defined in Local Rule 6004-1(e)(4), subject to disgorgement in the event the Court determines the commission is unreasonable under the particular circumstances of the case or the estate is administratively insolvent.
- (h) **Scope of Duties to be Performed by Debtor's Attorney for Flat Fee Charged.** Except as provided in subparagraph (h)(4) and paragraph (i) below, the flat fee charged by a chapter 7 or 13 debtor's attorney shall include the following services:
- (1) In both chapter 7 and 13 cases:
    - (A) analyzing the prospective debtor's financial situation, and advising and assisting the prospective debtor in determining whether to file a petition under the Bankruptcy Code;
    - (B) preparing and filing the petition and all required lists, schedules, and statements,
    - (C) filing the certificate received by the debtor from an approved nonprofit budget and credit counseling agency for pre-petition credit counseling;
    - (D) filing the debtor's payment advices together with Local Form B, "Payment Advices Cover Sheet";
    - (E) representing the debtor at the first meeting of creditors and any duly convened subsequent meetings of creditors;
    - (F) amending lists, schedules, statements, and/or other documents required to be filed with the petition to reflect developments that occurred during the course of the case;
    - (G) where appropriate, preparing and filing motions under § 522(f) to avoid liens on exempt property,
    - (H) where appropriate, preparing and filing motions for abandonment or to clear title to the debtor's real property;
    - (I) terminating garnishments, trustee process or wage assignments;
    - (J) compiling and forwarding to the case trustee documents required by § 521 and Local Rule 4002-1; and
    - (K) preparing and filing a Debtor's Certification About a Financial Management Course.
- ~~See Official Form B-423.~~

IT IS FURTHER ORDERED that Local Rule 4004-2, is revised to read as follows, with the changes redlined (and with clean copy attached):

**VT. LBR Rule 4004-2. DISCHARGES.**

**See also Local Rule 7041-1.**

- (a) **Entry of Discharge in Individual Chapter 7, 11, and 13 Cases.** Before entry of the discharge order, every individual chapter 7, 11, and 13 debtor must file ~~Official Form 423 a Certificate of Course Completion~~ to evidence completion of the post-petition financial management course, unless the agency which administered the course has already filed the required certificate.
- (1) **Deadline for Filing ~~Official Form 423 a Certificate of Course Completion~~.** In a chapter 7 case, each individual debtor must file ~~Official Form 423 a Certificate of Course Completion~~ within 60 days after the first date set for the meeting of creditors. In chapter 11 or 13 cases, each individual debtor must file ~~Official Form 423 a Certificate of Course Completion~~ either by the date the last payment is due under the debtor's confirmed plan or the date the debtor files a motion for entry of a discharge order, whichever is earlier. If an individual debtor fails to timely file ~~the Official Form 423 a Certificate of Course Completion~~, the debtor's case may be closed without entry of a discharge order.
- (2) **Motion to Enlarge Filing Deadline.** If, prior to the closing of a case, an individual debtor who has failed to timely file ~~Official Form 423 a Certificate of Course Completion~~ seeks to file ~~Official Form 423 a Certificate of Course Completion~~, that debtor must first file a motion to enlarge the time. The motion must demonstrate cause to enlarge the time and be accompanied by the debtor's affidavit or certification, made under penalty of perjury, explaining the reason for the failure to timely file ~~Official Form 423 a Certificate of Course Completion~~.
- (b) **Certification of Compliance and Motion for Entry of Discharge Order in Chapter 13.** In order to obtain a discharge under § 1328(a), a chapter 13 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion requesting the entry of a discharge order.
- (1) **Contents of Motion.** In the motion, the debtor must affirm they
- (A) have made all payments required under the confirmed chapter 13 plan;
- (B) have fully complied with the terms of the confirmed plan;
- (C) have completed a post-petition instructional course concerning personal financial management as described in § 111 and filed a copy of ~~Official Form 423 a Certificate of Course Completion~~, (see paragraph (a) above), either prior to or with the certification and motion;
- (D) either
- (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 13 case,
- (ii) were required to pay a domestic support obligation during the chapter 13 case and have made all required payments on said obligation due through the date of the motion;
- (E) have not received a discharge in a chapter 7, 11, or 12 bankruptcy case during the four-year period preceding the date that the debtor filed the present chapter 13 case, and have not received a discharge in any prior chapter 13 case during the two-year period before the debtor filed the present case; and

- (F) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1) or have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of
      - (i) a felony involving the abuse of bankruptcy law,
      - (ii) a violation of federal or state securities law,
      - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,
      - (iv) a civil offense under 18 U.S.C. § 1964,
      - (v) or a criminal act, any intentional harm to another, or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.
  - (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom a debtor owes a domestic support obligation(s), the chapter 13 trustee, the United States Trustee, and any parties who have appeared in the case. See also Local Rule 9013-4(b)(13).
  - (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.
  - (4) Debtor Attorney's Certification. If an individual chapter 13 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they have explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521, 1308, and 1328(a), (g)(1), and (h), and (C) file their certification with the debtor's certification and motion. See Local Form O-2.
- (c) **Certification of Compliance and Motion for Entry of Discharge Order in Individual Chapter 12 Cases.** In order to obtain a discharge under § 1228(a), every individual chapter 12 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion for entry of a discharge order.
  - (1) Contents of Motion. In the motion, the individual chapter 12 debtor must affirm they
    - (A) have made all payments required under the confirmed chapter 12 plan;
    - (B) have fully complied with the terms of the plan;
    - (C) either,
      - (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 12 case, or
      - (ii) were required to pay a domestic support obligation during the chapter 12 case and made all required payments on the obligation due through the date of the motion, and
  - (D) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1), or if so, have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of
    - (i) a felony involving the abuse of bankruptcy law,
    - (ii) any violation of federal or state securities law,
    - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,
    - (iv) any civil offense under 18 U.S.C. § 1964, or
    - (v) a criminal act, intentional harm to another or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.

- (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom the debtor owes a domestic support obligation, the chapter 12 trustee, and any parties who have appeared in the case. See also Local Rule 9013-4(b)(12).
  - (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.
  - (4) Debtor's Attorney's Certification. If an individual chapter 12 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521 and 1228(a) and (f), and (C) file their certification with the debtor's certification and motion. See Local Form O-1.
- (d) **Motion for Entry of Hardship Discharge in Chapter 12 and 13 Cases.** If a chapter 12 or chapter 13 debtor is unable to make the payments required by their confirmed plan and wishes to obtain a discharge, they may file a motion for a hardship discharge under § 1228(b) or § 1328(b) as applicable. See Local Rule 9013-4(b)(12) & (13).


**IT IS FURTHER ORDERED** that Local Rule 5010-1, is revised to read as follows, with the changes redlined (and with clean copy attached):

**VT. LBR Rule 5010-1. REOPENING CASES.**

- (a) **Generally.** A party who files a motion to reopen a case must serve notice on the motion in the same manner as any other contested matter, except when the motion seeks to reopen a case for the sole purpose of filing ~~Official Form 423~~ a Certificate of Course Completion.
- (b) **Motion to Reopen a Case to File ~~Official Form 423~~ a Certificate of Course Completion.** See Local Rule 4004-2(a); Local Rule 9013-4(b)(~~36~~)(35).

**IT IS FURTHER ORDERED** this revision to the Local Rules is effective upon entry of this Order.

December 1, 2024  
Burlington, Vermont

  
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Heather Z. Cooper  
United States Bankruptcy Judge

## **VT. LBR Rule 2016-1. COMPENSATION OF PROFESSIONALS.**

### **(a) Fee Application Guidelines.**

- (1) Except as set forth in subparagraph (2) below, any entity seeking interim or final compensation for professional services rendered, or for reimbursement of expenses, must comply with (A) Bankruptcy Rule 2016, (B) 28 C.F.R. Appendix A to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (“United States Trustee Guidelines”), and (C) applicable case law. See also Local Rule 6005-1(e).
- (2) When the debtor’s petition lists \$50 million or more in assets and \$50 million or more in liabilities, any entity seeking interim or final compensation for professional services rendered must comply with (A) Bankruptcy Rule 2016, (B) 28 C. F. R. Appendix B to Part 58, Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases (“United States Trustee Guidelines for Larger Cases”), and (C) applicable case law.

**(b) Applications for Compensation of \$1,000 or Less.** When a professional seeks compensation in an amount equal to or less than \$1,000, the professional must file an application for compensation on 14 days’ notice to the United States Trustee. Such applications, whether made directly by a professional or on behalf of a professional, must include the professional’s name, complete mailing and street addresses, telephone number, and e-mail address. The Court will consider the application ripe for ruling on the earlier of (1) the filing of a response by the United States Trustee, or (2) the expiration of the 14-day notice period. No hearing shall be set on the application unless the Court deems a hearing is necessary.

**(c) Applications for Compensation Greater than \$1,000.** Professionals seeking compensation in an amount greater than \$1,000 must file a motion and may use the default procedure described in Local Rule 9013-4. See Local Rule 9013-4(b)(7).

**(d) Certification Required.** Whenever a trustee or debtor (or, in a corporate case, the appropriate officer of the debtor) seeks approval of fees for a professional, they must specify in the application (or in a separate certification) that they have reviewed and support the application for fees as filed or, if they oppose the application to any extent, state the factual and legal basis for their objection(s). When a professional other than one retained by a debtor or trustee (e.g., a professional retained by an official or unofficial committee) seeks compensation from the estate, the executive officer or chairperson of the retaining entity must file a statement supporting or opposing the application.

**(e) Retainers.** In a chapter 11 or 12 case, a professional may not draw down or take a payment from a retainer until the professional has an order of the Court authorizing the professional to do so, notwithstanding any agreements to the contrary between a debtor and the debtor’s professionals.

**(f) Requirement to File Fee Applications.** The Court, in the exercise of its discretion, may order a debtor’s attorney to file a fee application in any case and may direct disgorgement of all or part of the fee if the Court finds the fee to be unreasonable or paid in violation of the Code, Bankruptcy Rules, or these Rules. See 11 U.S.C. § 329.

**(g) Real Estate Brokers.** If approved in a retention order, a real estate broker may be paid the customary commission at closing, as defined in Local Rule 6004-1(e)(4), subject to disgorgement in the event the Court determines the commission is unreasonable under the particular circumstances of the case or the estate is administratively insolvent.

**(h) Scope of Duties to be Performed by Debtor’s Attorney for Flat Fee Charged.** Except as provided in subparagraph (h)(4) and paragraph (i) below, the flat fee charged by a chapter 7 or 13 debtor’s attorney shall include the following services:

- (1) In both chapter 7 and 13 cases:
  - (A) analyzing the prospective debtor’s financial situation, and advising and assisting the prospective debtor in determining whether to file a petition under the Bankruptcy Code;
  - (B) preparing and filing the petition and all required lists, schedules, and statements,

- (C) filing the certificate received by the debtor from an approved nonprofit budget and credit counseling agency for pre-petition credit counseling;
- (D) filing the debtor's payment advices together with Local Form B, "Payment Advices Cover Sheet";
- (E) representing the debtor at the first meeting of creditors and any duly convened subsequent meetings of creditors;
- (F) amending lists, schedules, statements, and/or other documents required to be filed with the petition to reflect developments that occurred during the course of the case;
- (G) where appropriate, preparing and filing motions under § 522(f) to avoid liens on exempt property,
- (H) where appropriate, preparing and filing motions for abandonment or to clear title to the debtor's real property;
- (I) terminating garnishments, trustee process or wage assignments;
- (J) compiling and forwarding to the case trustee documents required by § 521 and Local Rule 4002-1; and
- (K) preparing and filing a Debtor's Certification About a Financial Management Course.

**VT. LBR Rule 4004-2. DISCHARGES.**

**See also Local Rule 7041-1.**

- (a) Entry of Discharge in Individual Chapter 7, 11, and 13 Cases.** Before entry of the discharge order, every individual chapter 7, 11, and 13 debtor must file a Certificate of Course Completion to evidence completion of the post-petition financial management course, unless the agency which administered the course has already filed the required certificate.

  - (1) **Deadline for Filing a Certificate of Course Completion.** In a chapter 7 case, each individual debtor must file a Certificate of Course Completion within 60 days after the first date set for the meeting of creditors. In chapter 11 or 13 cases, each individual debtor must file a Certificate of Course Completion either by the date the last payment is due under the debtor's confirmed plan or the date the debtor files a motion for entry of a discharge order, whichever is earlier. If an individual debtor fails to timely file a Certificate of Course Completion, the debtor's case may be closed without entry of a discharge order.
  - (2) **Motion to Enlarge Filing Deadline.** If, prior to the closing of a case, an individual debtor who has failed to timely file a Certificate of Course Completion seeks to file a Certificate of Course Completion, that debtor must first file a motion to enlarge the time. The motion must demonstrate cause to enlarge the time and be accompanied by the debtor's affidavit or certification, made under penalty of perjury, explaining the reason for the failure to timely file a Certificate of Course Completion.
- (b) Certification of Compliance and Motion for Entry of Discharge Order in Chapter 13.** In order to obtain a discharge under § 1328(a), a chapter 13 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion requesting the entry of a discharge order.

  - (1) **Contents of Motion.** In the motion, the debtor must affirm they

    - (A) have made all payments required under the confirmed chapter 13 plan;
    - (B) have fully complied with the terms of the confirmed plan;
    - (C) have completed a post-petition instructional course concerning personal financial management as described in § 111 and filed a copy of a Certificate of Course Completion, (see paragraph (a) above), either prior to or with the certification and motion;
    - (D) either

      - (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 13 case,
      - (ii) were required to pay a domestic support obligation during the chapter 13 case and have made all required payments on said obligation due through the date of the motion;
    - (E) have not received a discharge in a chapter 7, 11, or 12 bankruptcy case during the four-year period preceding the date that the debtor filed the present chapter 13 case, and have not received a discharge in any prior chapter 13 case during the two-year period before the debtor filed the present case; and
    - (F) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1) or have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of

      - (i) a felony involving the abuse of bankruptcy law,
      - (ii) a violation of federal or state securities law,
      - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,



- (iv) a civil offense under 18 U.S.C. § 1964,
    - (v) or a criminal act, any intentional harm to another, or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.
  - (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom a debtor owes a domestic support obligation(s), the chapter 13 trustee, the United States Trustee, and any parties who have appeared in the case. See also Local Rule 9013-4(b)(13).
  - (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.
  - (4) Debtor Attorney's Certification. If an individual chapter 13 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they have explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521, 1308, and 1328(a), (g)(1), and (h), and (C) file their certification with the debtor's certification and motion. See Local Form O-2.
- (c) **Certification of Compliance and Motion for Entry of Discharge Order in Individual Chapter 12 Cases.** In order to obtain a discharge under § 1228(a), every individual chapter 12 debtor must file a certification of compliance with 28 U.S.C. § 1746 and a motion for entry of a discharge order.
- (1) Contents of Motion. In the motion, the individual chapter 12 debtor must affirm they
    - (A) have made all payments required under the confirmed chapter 12 plan;
    - (B) have fully complied with the terms of the plan;
    - (C) either,
      - (i) were not required by any judicial or administrative order or law to pay a domestic support obligation during the pendency of the chapter 12 case, or
      - (ii) were required to pay a domestic support obligation during the chapter 12 case and made all required payments on the obligation due through the date of the motion, and
    - (D) either have not claimed a homestead exemption in excess of the cap described in § 522(q)(1), or if so, have no reason to believe there is any pending investigation or proceeding in which the debtor may be found guilty of
      - (i) a felony involving the abuse of bankruptcy law,
      - (ii) any violation of federal or state securities law,
      - (iii) fraud, deceit or manipulation in a fiduciary capacity involving the purchase or sale of any securities,
      - (iv) any civil offense under 18 U.S.C. § 1964, or
      - (v) a criminal act, intentional harm to another or willful or reckless misconduct that caused serious physical injury or death to another individual in the preceding 5 years.
  - (2) Service of the Debtor's Certification and Motion. The debtor must serve the certification and motion on any party to whom the debtor owes a domestic support obligation, the chapter 12 trustee, and any parties who have appeared in the case. See also Local Rule 9013-4(b)(12).
  - (3) Consequences of Failure to File the Certification and Motion. If the debtor fails to timely file the certification and motion, the debtor will not be eligible for a bankruptcy discharge in the case.

- (4) Debtor's Attorney's Certification. If an individual chapter 12 debtor was represented by an attorney in the case, the debtor's attorney must (A) certify that they explained the requirements for a discharge to the debtor, (B) certify that to the best of their knowledge the debtor qualifies for a discharge under §§ 521 and 1228(a) and (f), and (C) file their certification with the debtor's certification and motion. See Local Form O-1.
- (d) **Motion for Entry of Hardship Discharge in Chapter 12 and 13 Cases.** If a chapter 12 or chapter 13 debtor is unable to make the payments required by their confirmed plan and wishes to obtain a discharge, they may file a motion for a hardship discharge under § 1228(b) or § 1328(b) as applicable. See Local Rule 9013-4(b)(12) & (13).

**VT. LBR Rule 5010-1. REOPENING CASES.**

- (a) Generally.** A party who files a motion to reopen a case must serve notice on the motion in the same manner as any other contested matter, except when the motion seeks to reopen a case for the sole purpose of filing a Certificate of Course Completion.
- (b) Motion to Reopen a Case to File** a Certificate of Course Completion. See Local Rule 4004-2(a); Local Rule 9013-4(b)(35).