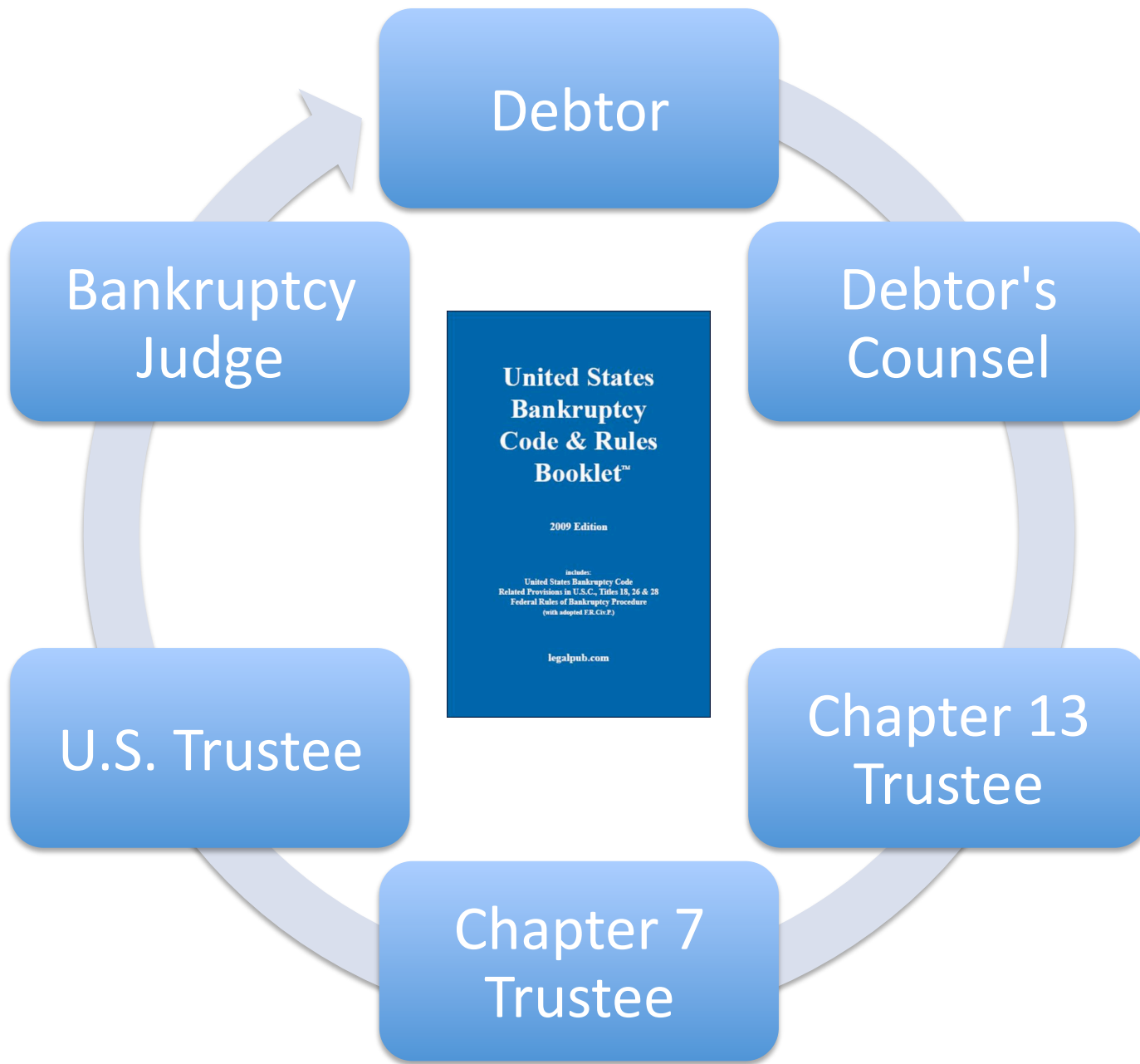


The Consumer Bankruptcy Fee Study

Lois R. Lupica
Reporter & Principal Investigator

June 21, 2012





Chapter 13

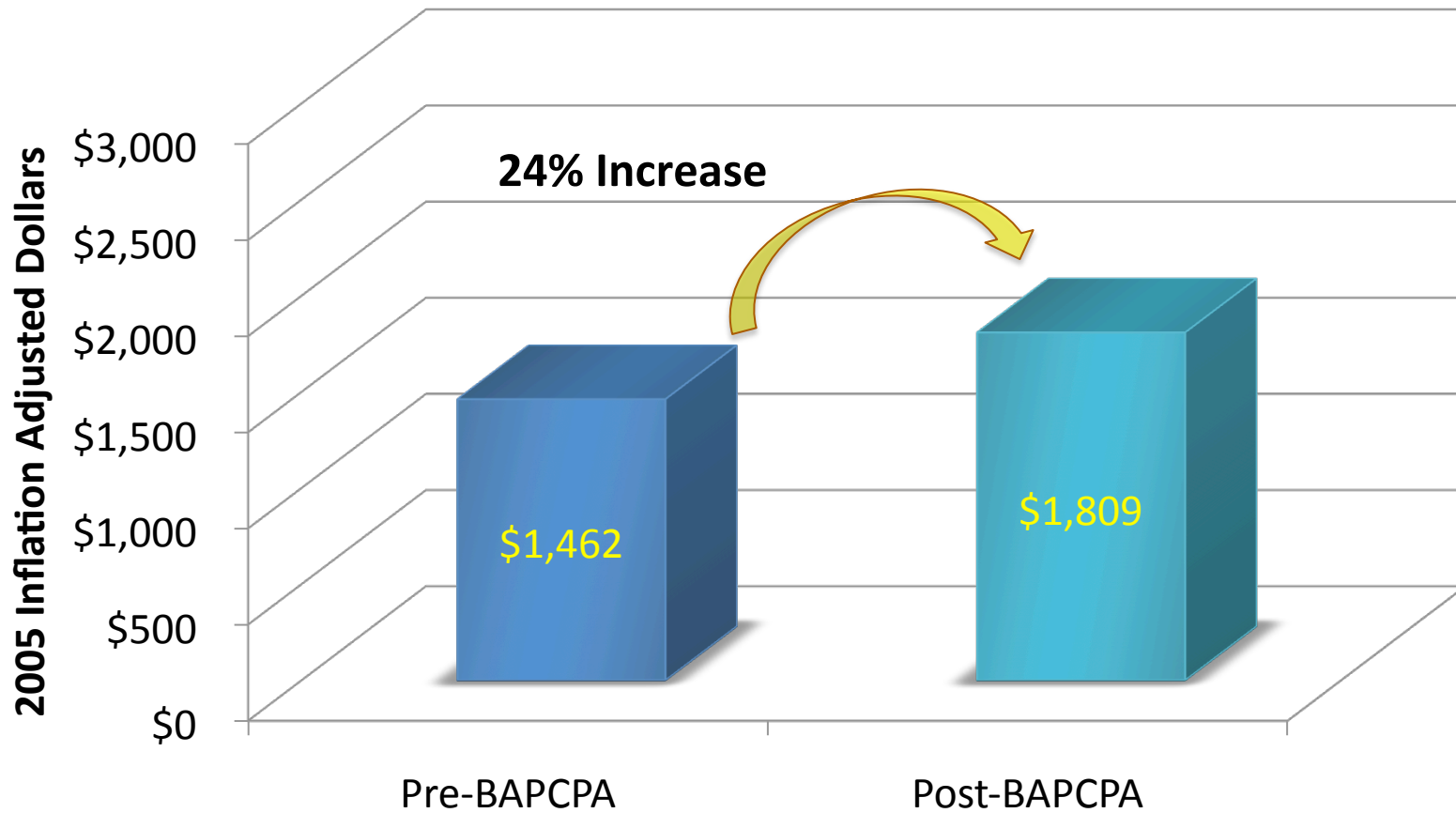
Dismissed
Cases

National
State
District

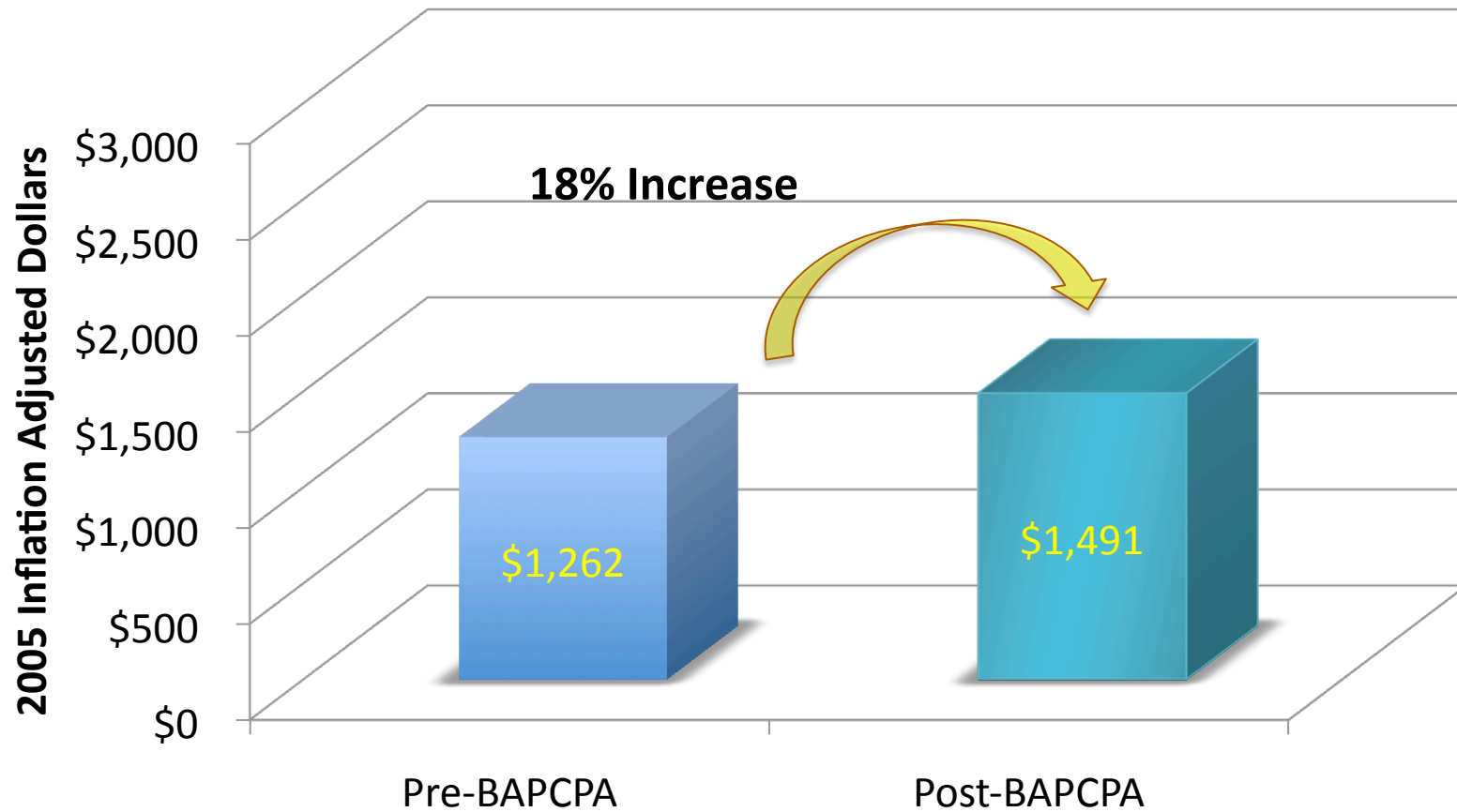
Discharged
Cases

National
Circuit
State
District

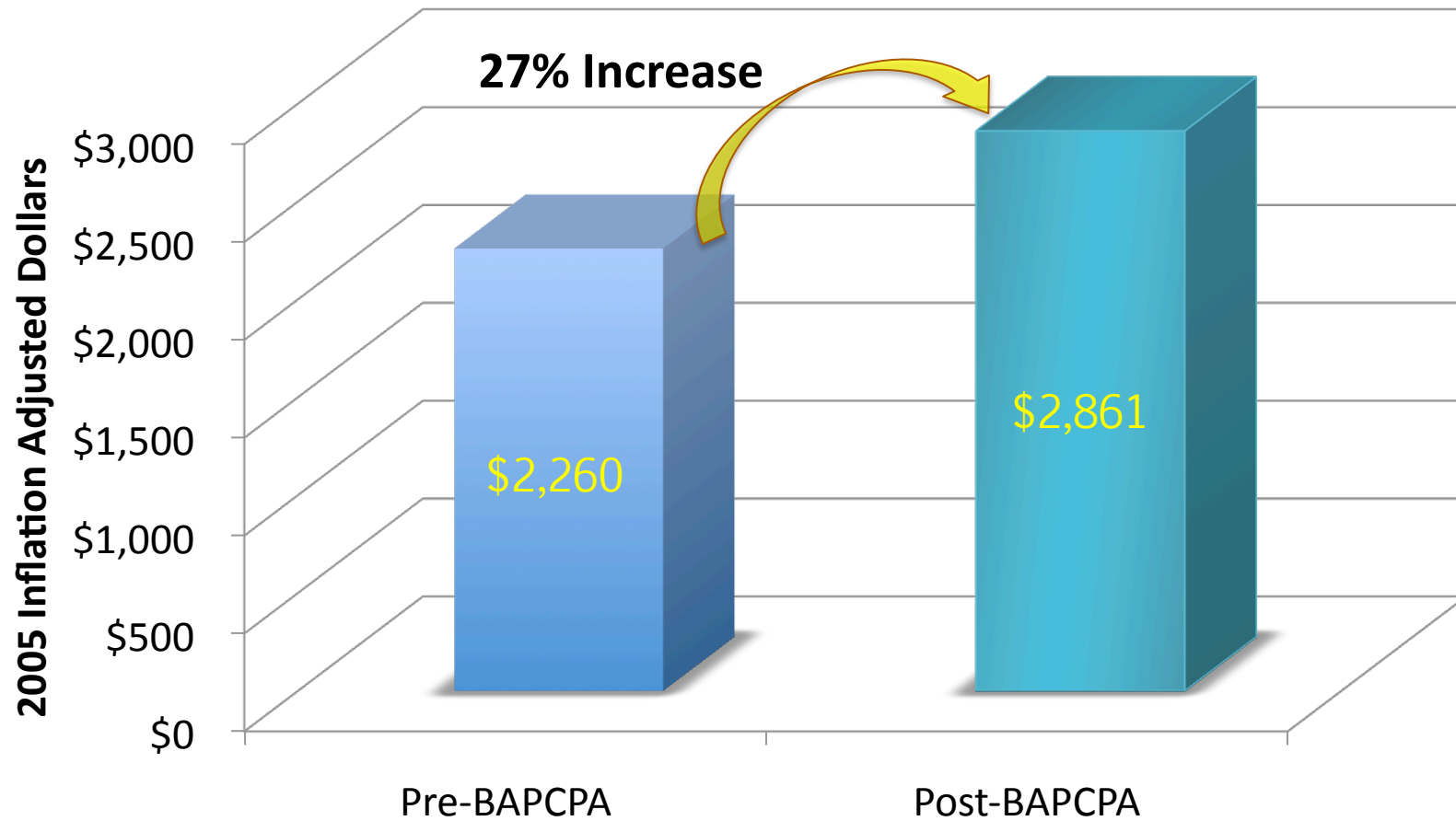
Mean Total Direct Access Costs in Dismissed Chapter 13 Cases



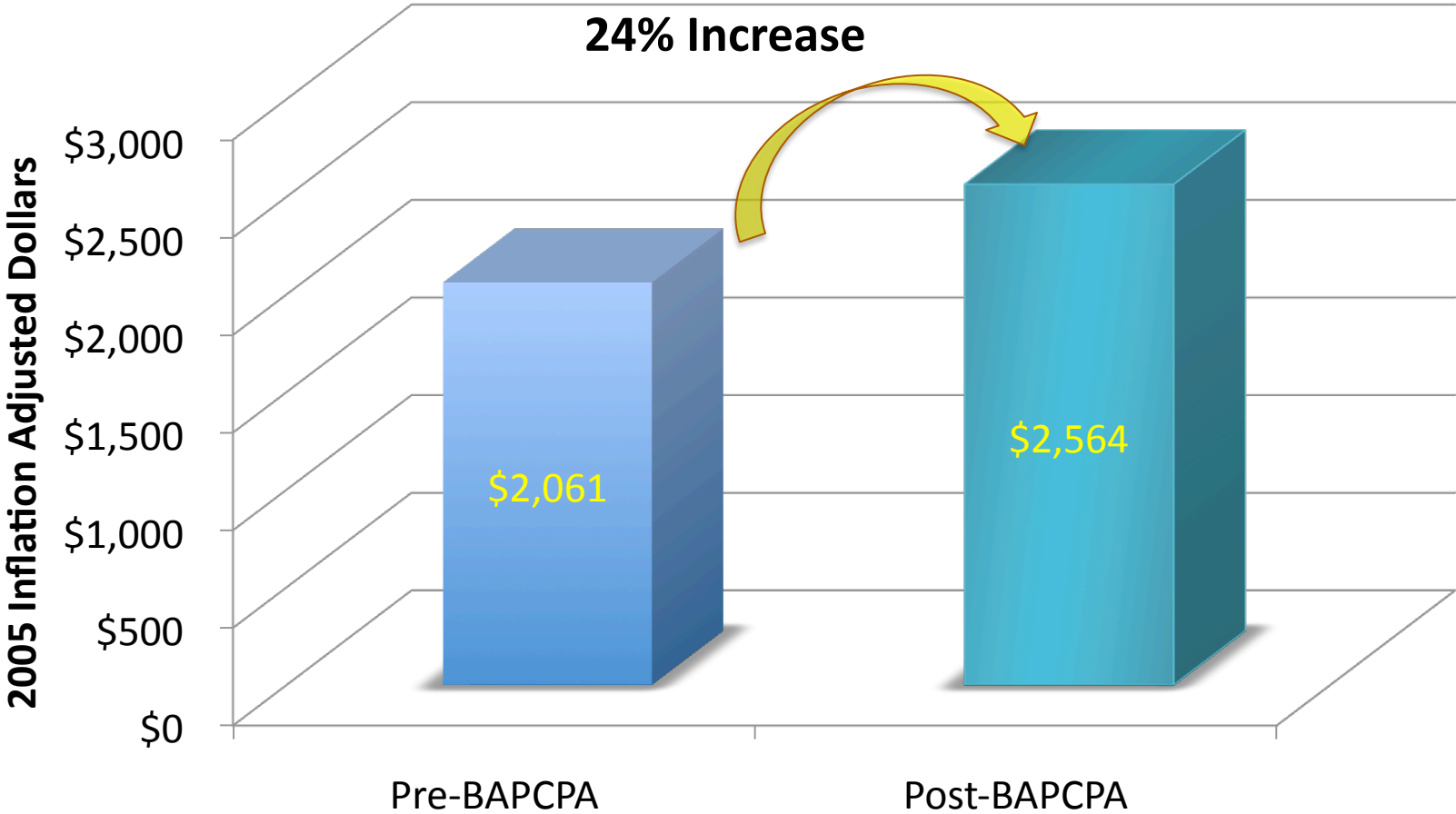
Mean *Attorney Fee* in Dismissed Chapter 13 Cases



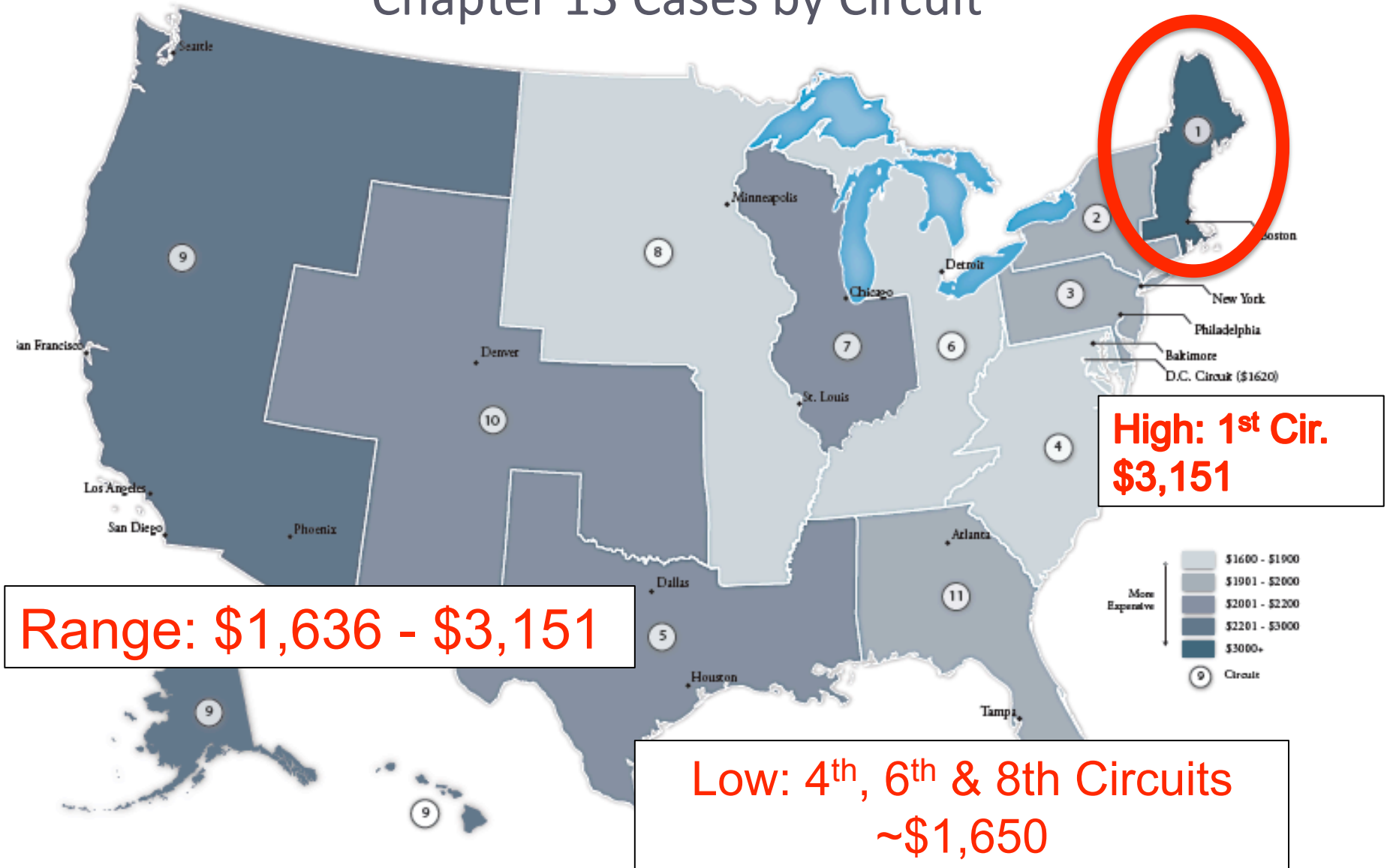
Mean Total Direct Access Costs in Discharged Chapter 13 Cases



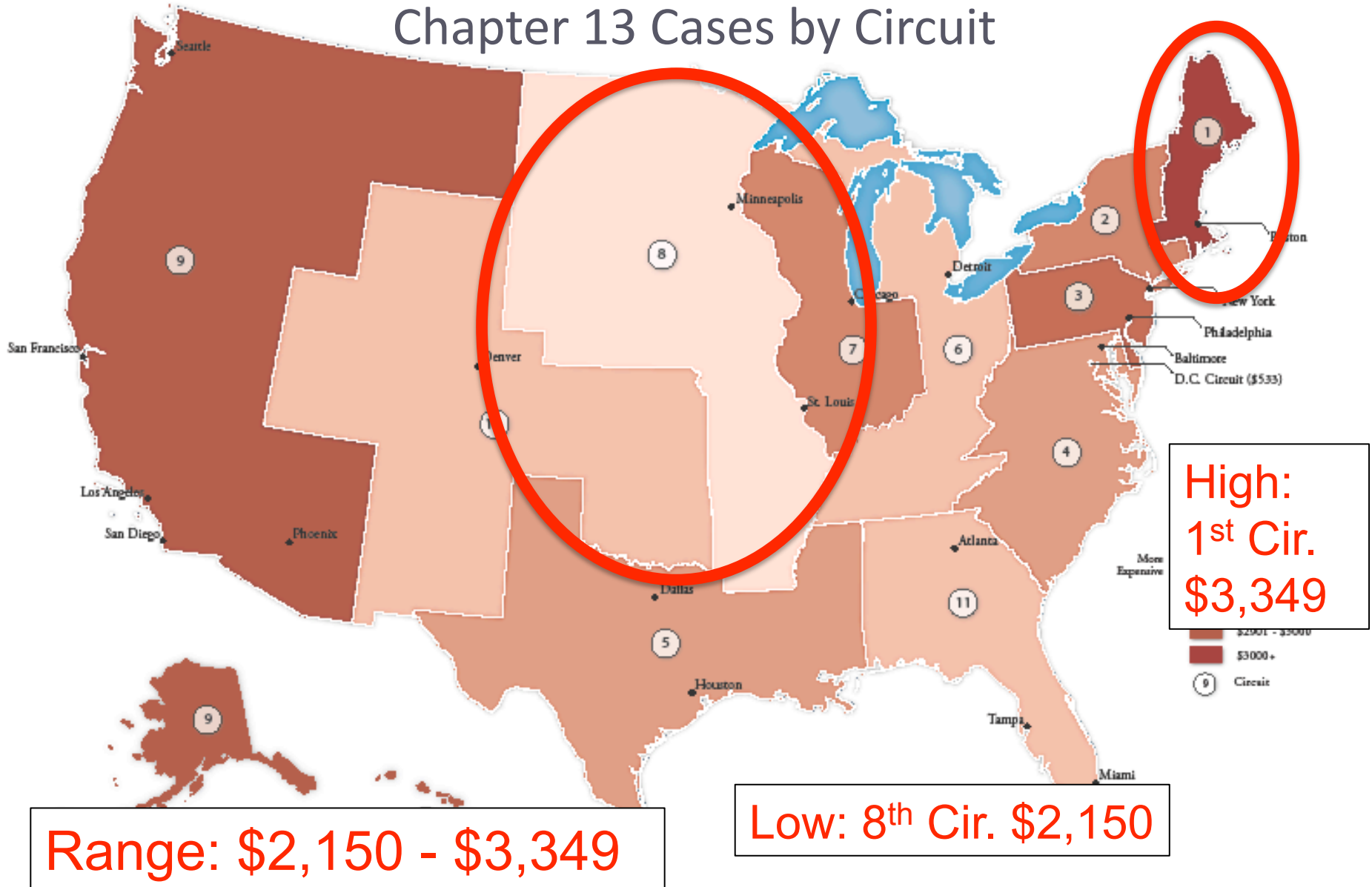
Mean *Attorney Fee* in Discharged Chapter 13 Cases



Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by Circuit

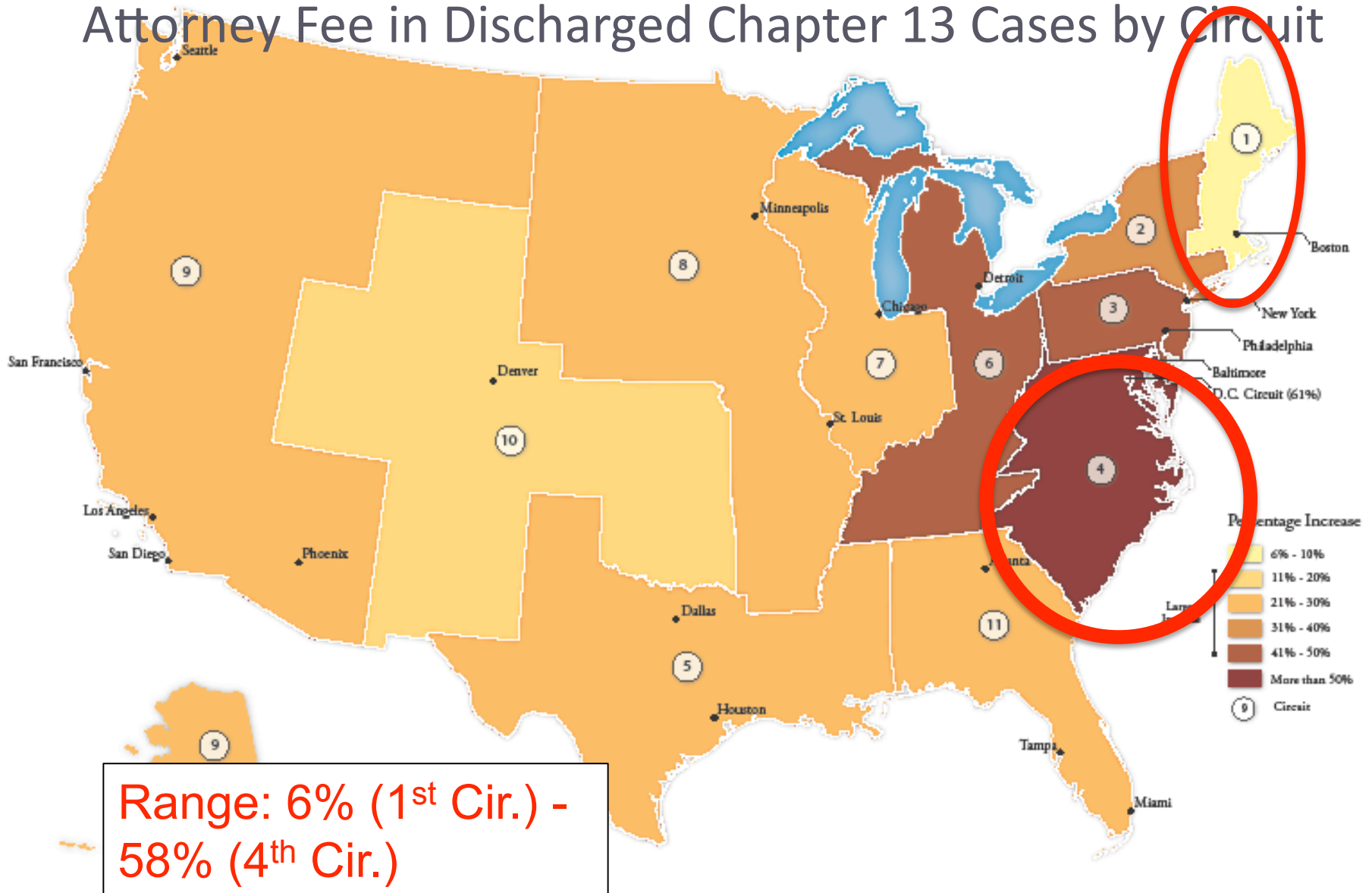


Mean Post-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by Circuit



Inflation adjusted 2006 dollars. Post-BAPCPA period: October 17, 2005 - December 31, 2009.

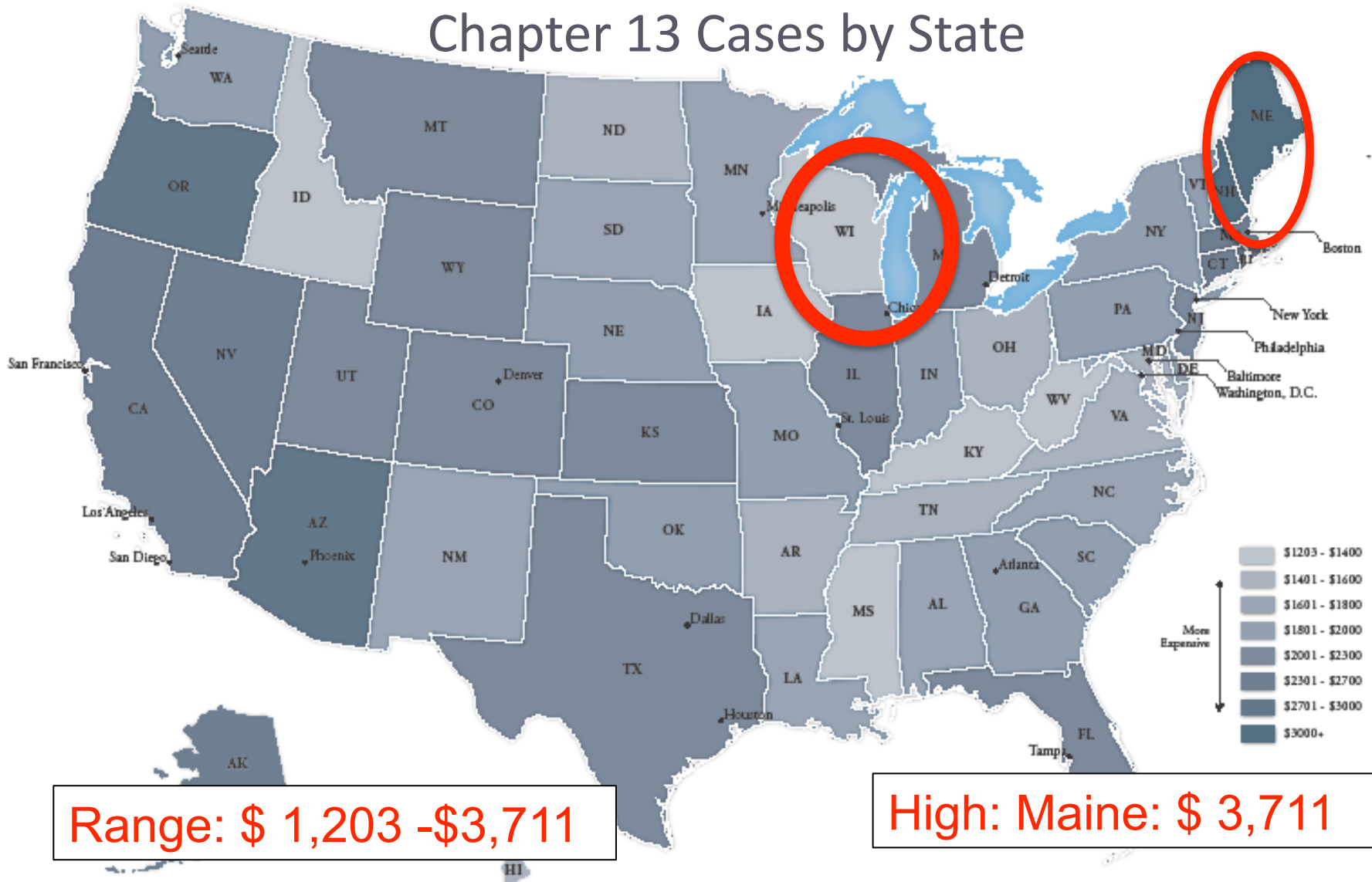
Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by Circuit



Range: 6% (1st Cir.) - 58% (4th Cir.)

*Inflation-adjusted 2006 dollars; discharged cases; Pre BAPCPA period: January 2003 - October 16, 2005, Post BAPCPA period: October 17, 2005 - December 2009.

Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by State



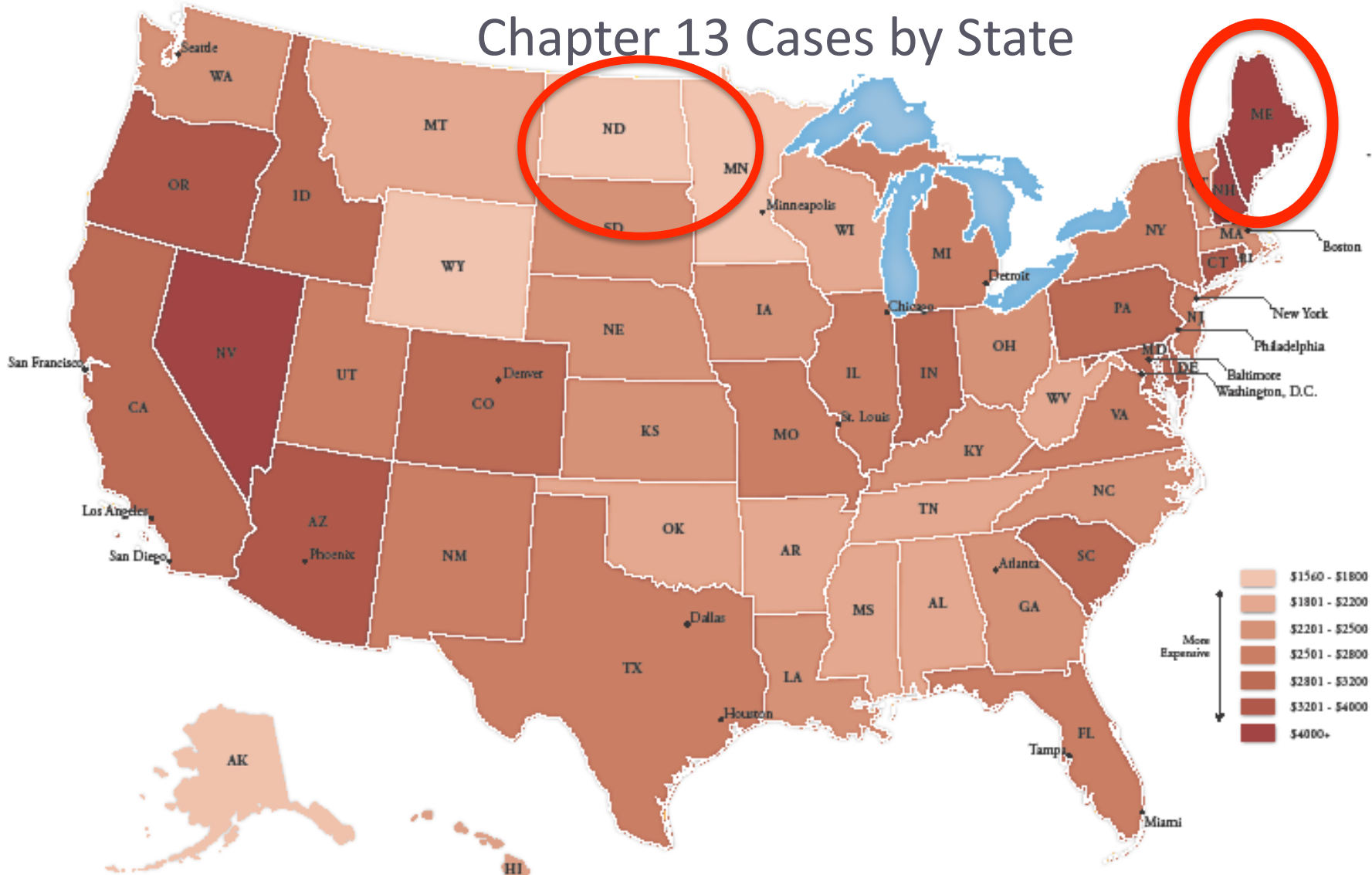
Range: \$ 1,203 -\$3,711

High: Maine: \$ 3,711

Low: Wisconsin \$1,203

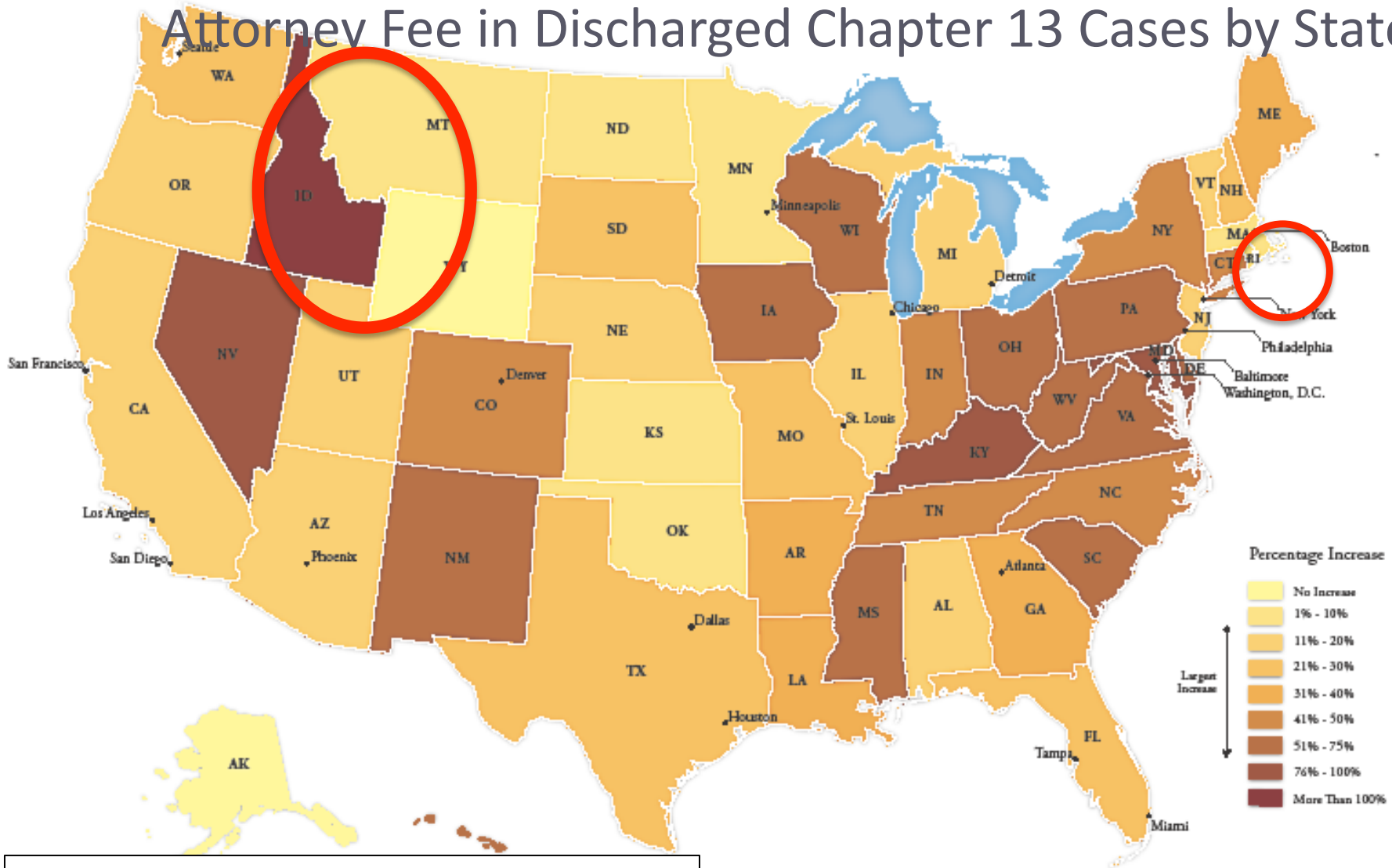
*Inflation-adjusted 2005 dollars; discharged cases; Pre-BAPCPA period: January 2003 - October 16, 2005.

Mean Post-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by State



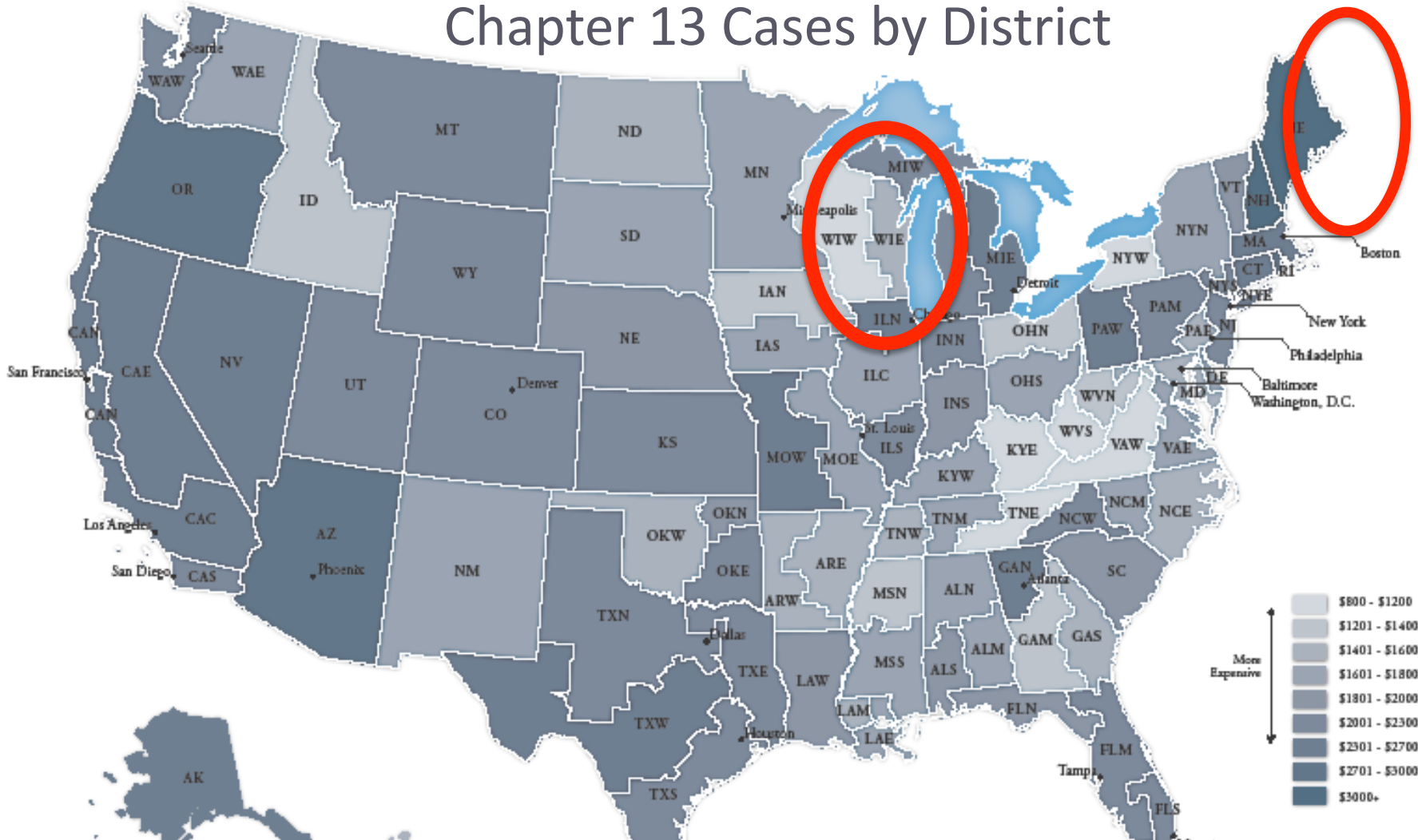
Range: \$1,560 (North Dakota) - \$4,950 (Maine)

Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by State



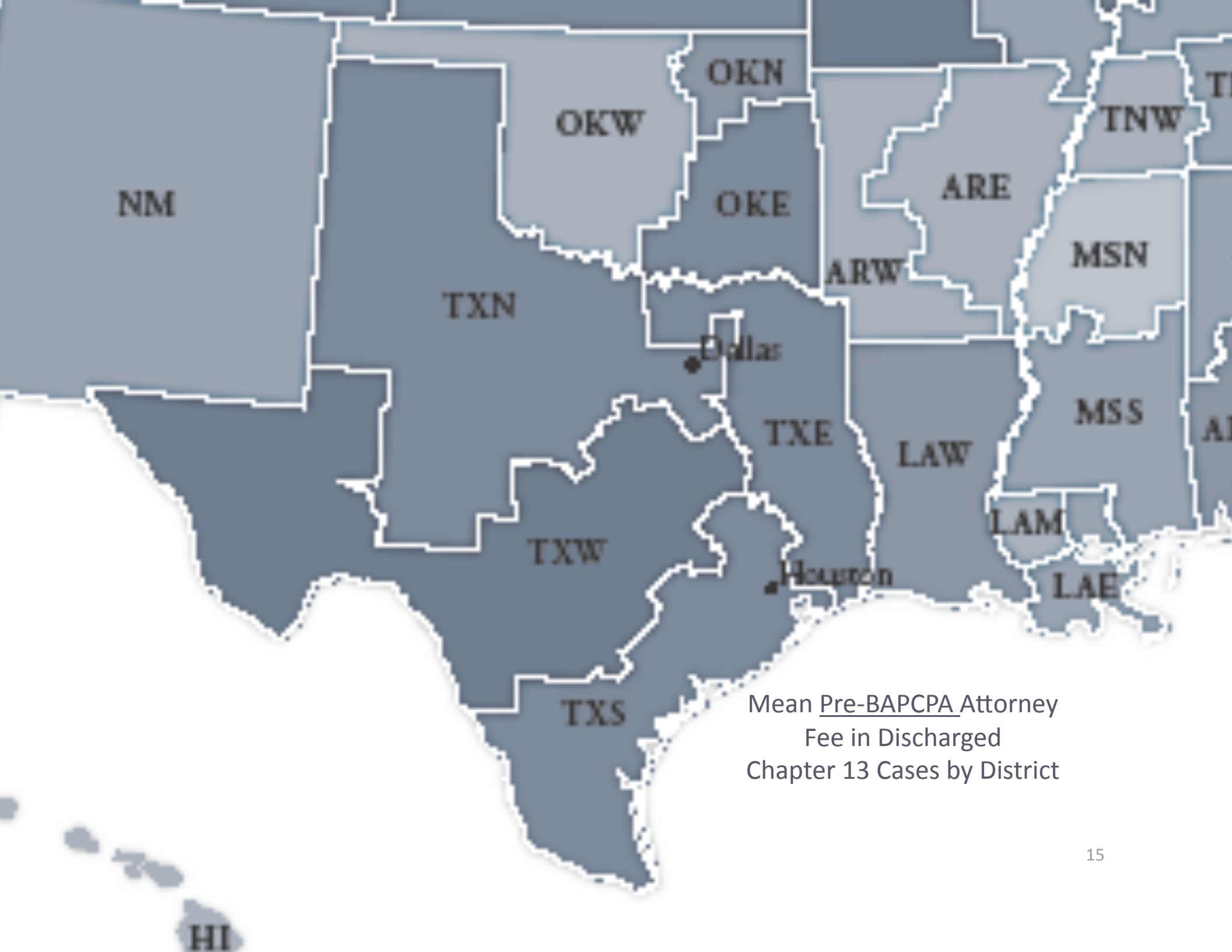
Range: 1% (Massachusetts) - 115% (Idaho)

Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by District

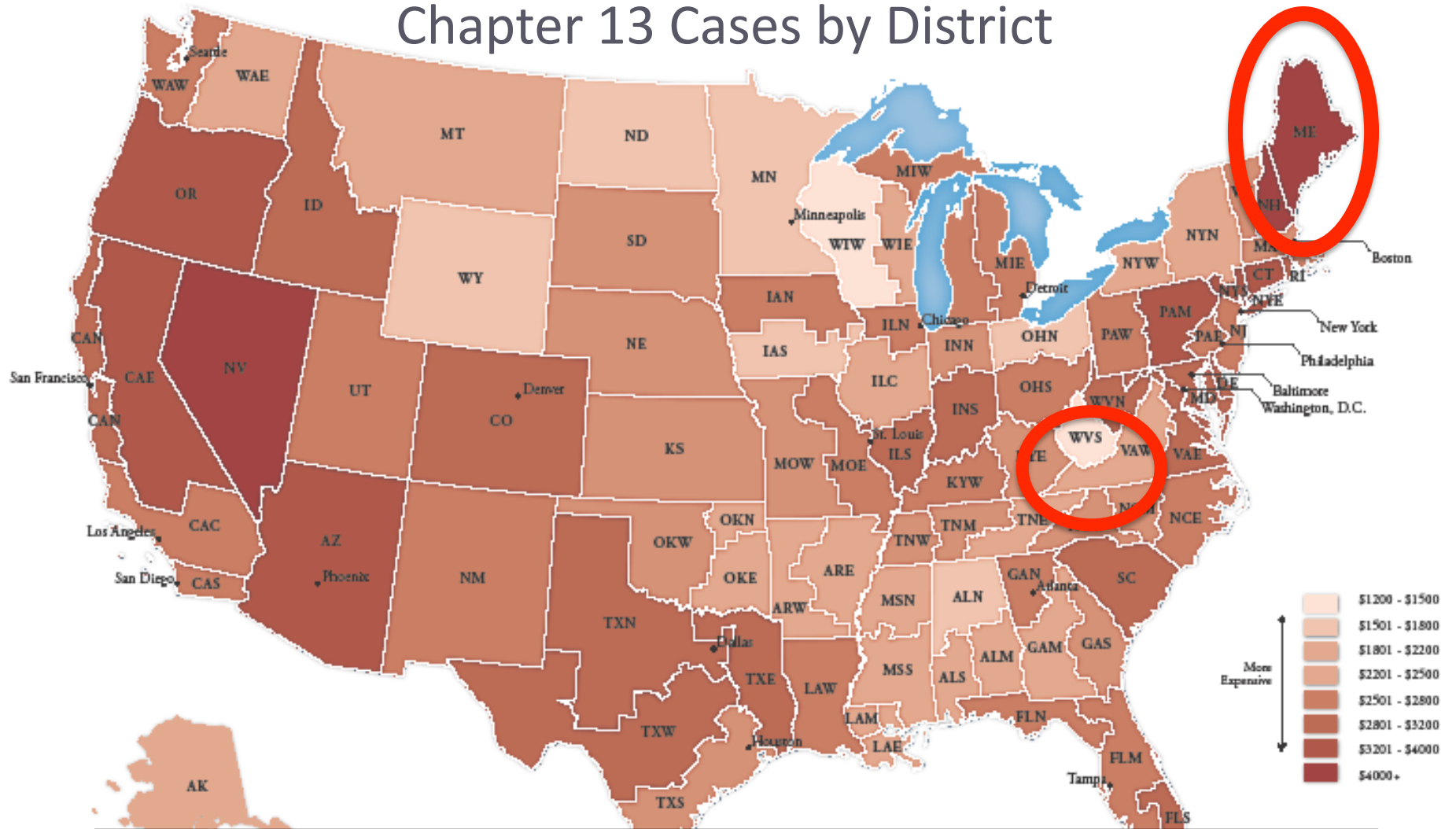


Range: \$859 (WD of Wisconsin) - \$3,711 (Maine)

*Inflation-adjusted 2006 dollars. Pre BAPCPA period: January 1, 2003 - October 16, 2006.

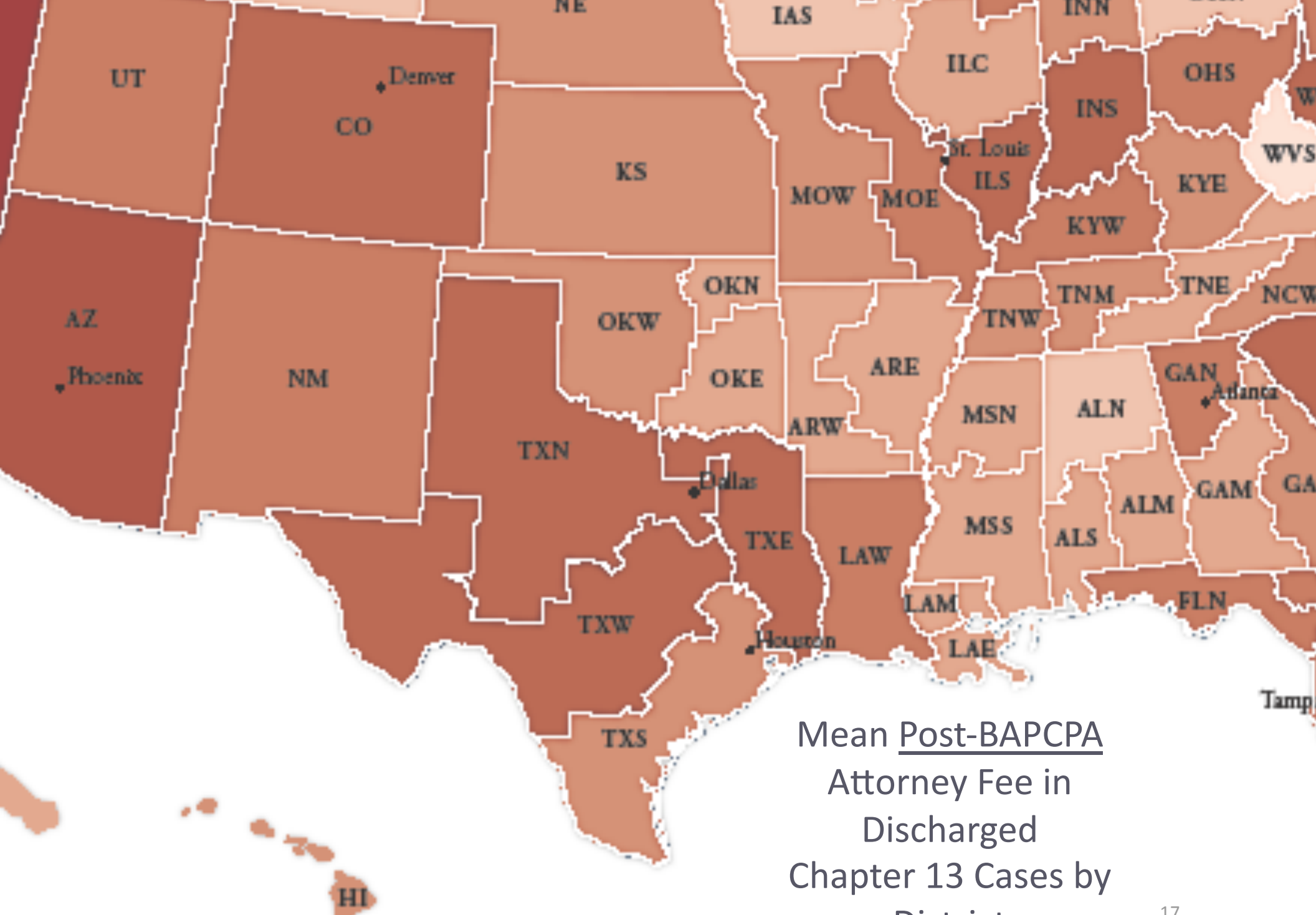


Mean Post-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by District



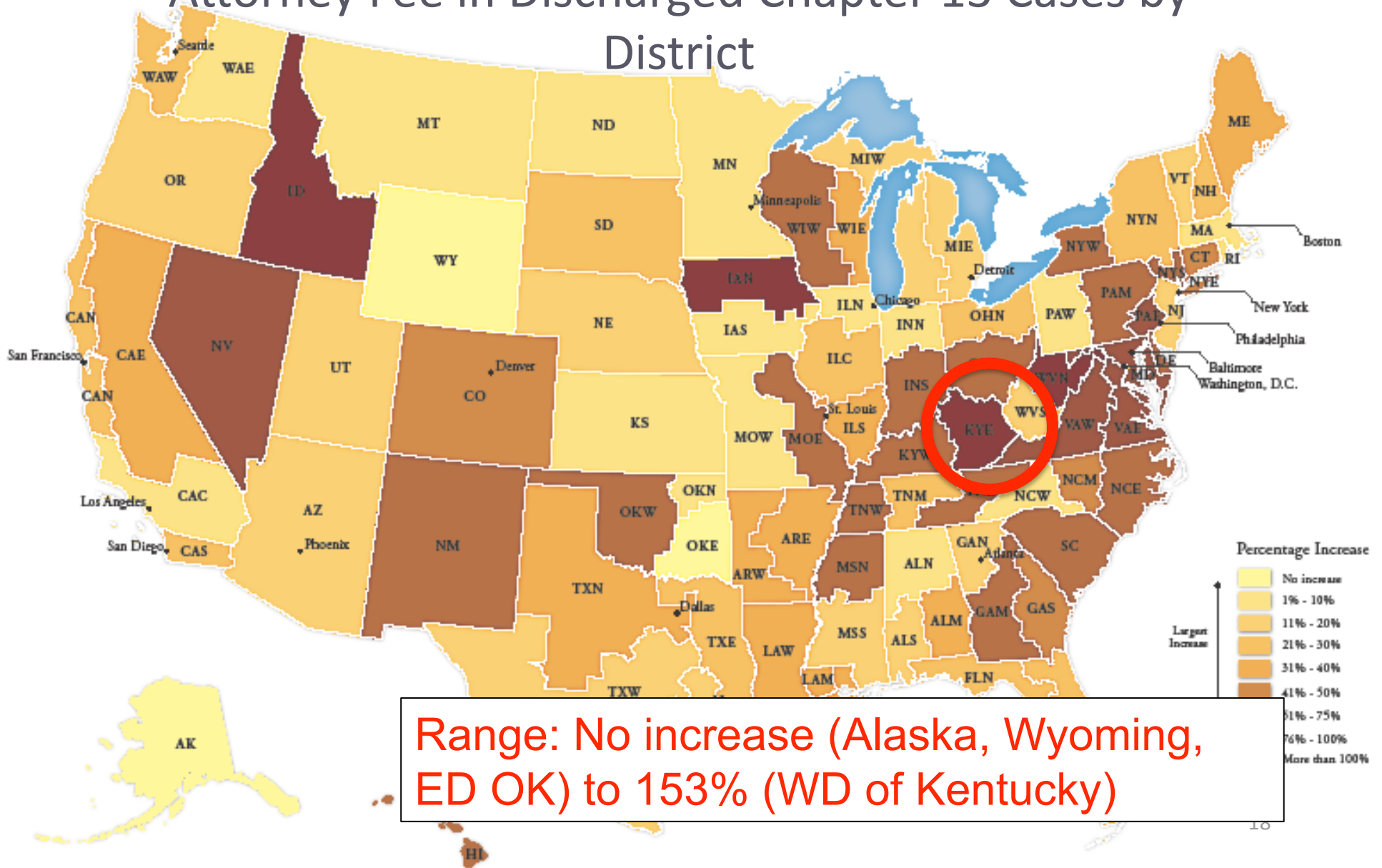
Range: \$1,121 (SD of West Virginia) - \$4,950 (Maine)

*Inflation-adjusted 2005 dollars; discharged cases; Post-BAPCPA period: October 17, 2005 - December 2009.

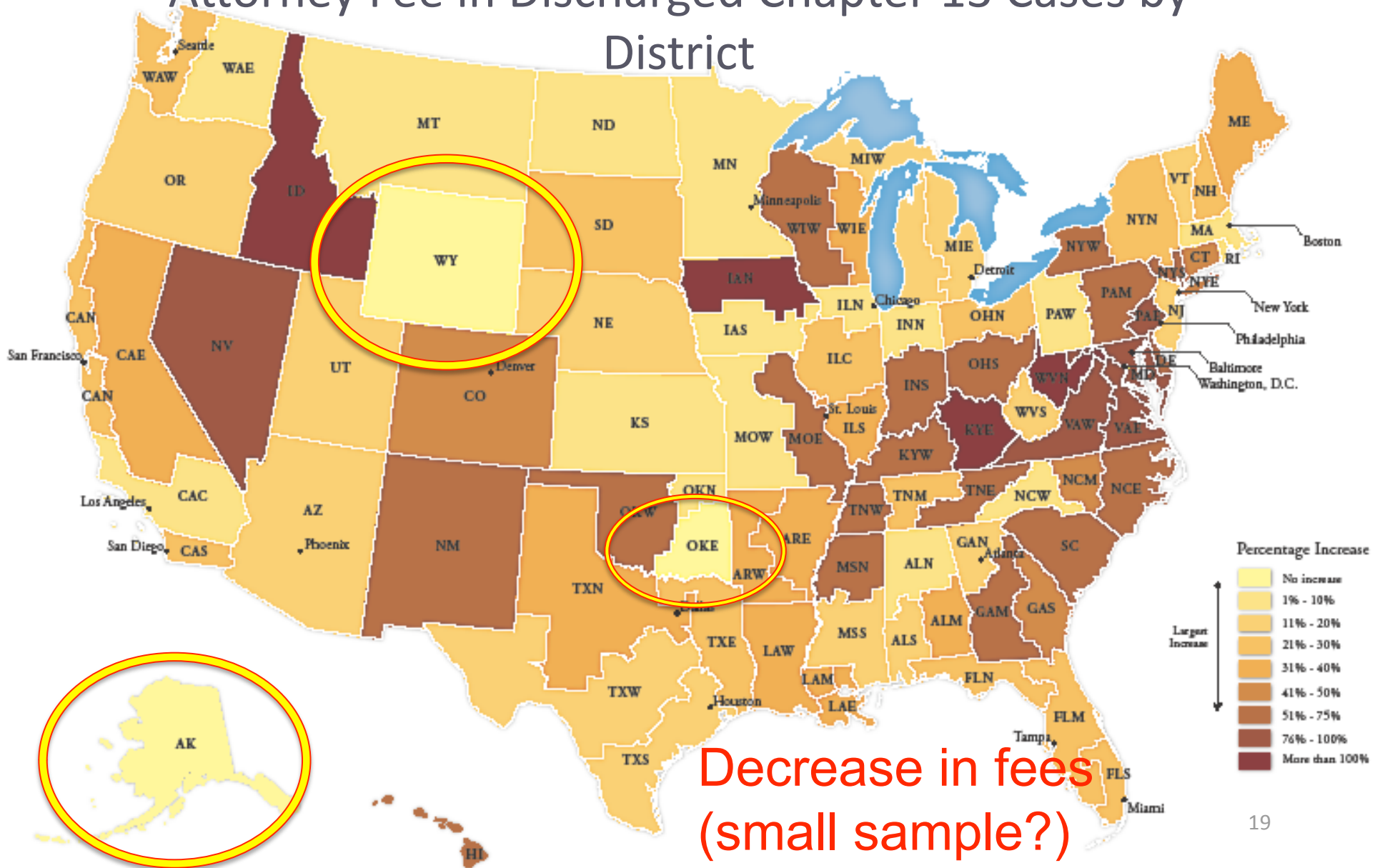


Mean Post-BAPCPA
 Attorney Fee in
 Discharged
 Chapter 13 Cases by
 District

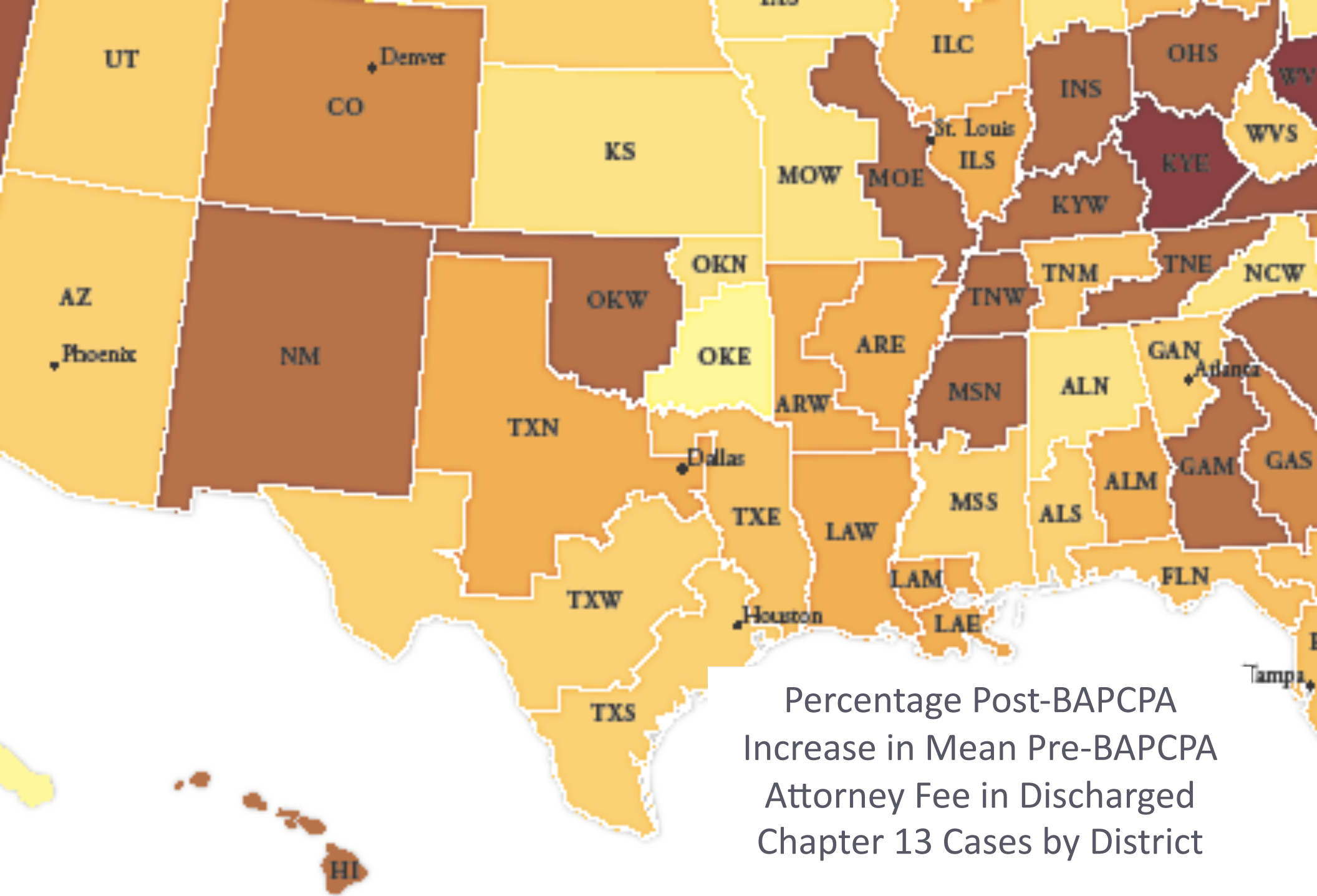
Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by District



Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by District



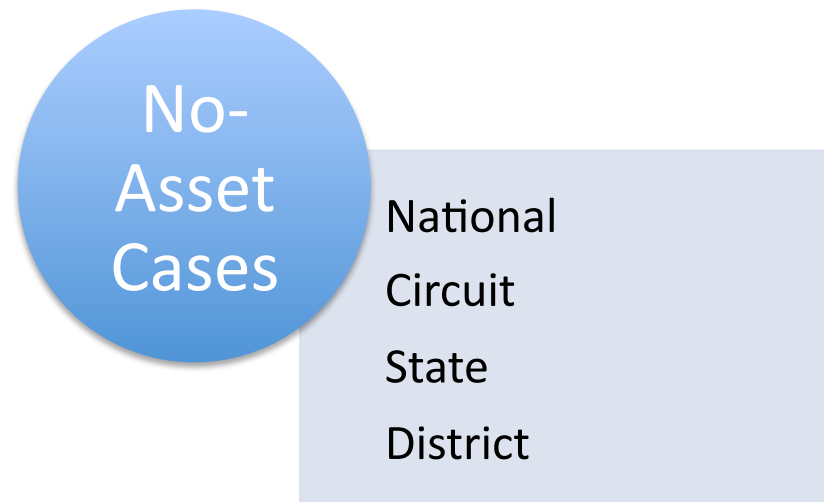
*Inflation-adjusted 2005 dollars. Pre BAPCPA period: January 1, 2003 - October 16, 2005. Post BAPCPA period: October 17, 2005 - December 2009.



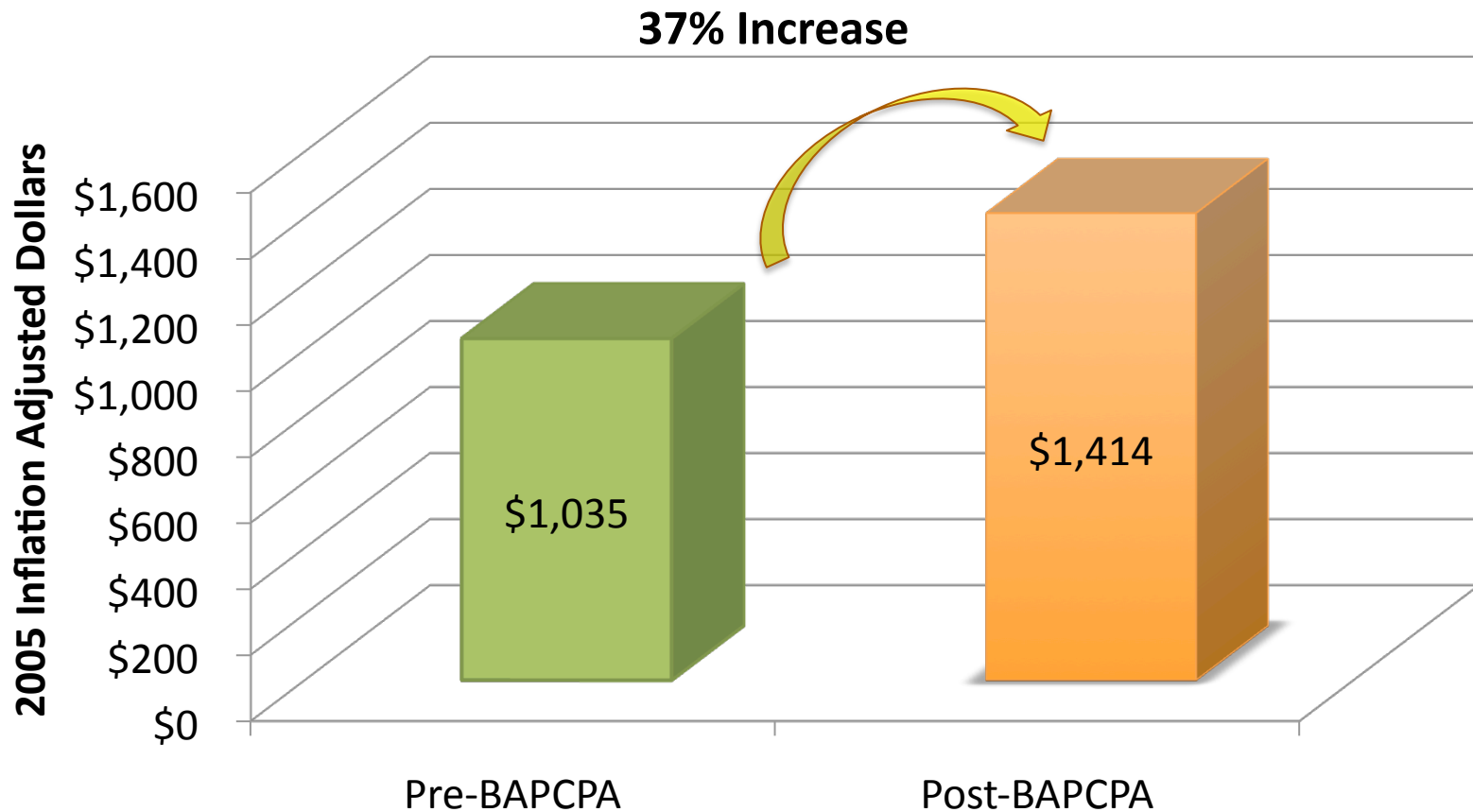
Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged Chapter 13 Cases by District

Pre BAPCPA period: January 1, 2003 - October 16, 2005. Post BAPCPA period: October 17, 2005 - December 2009.

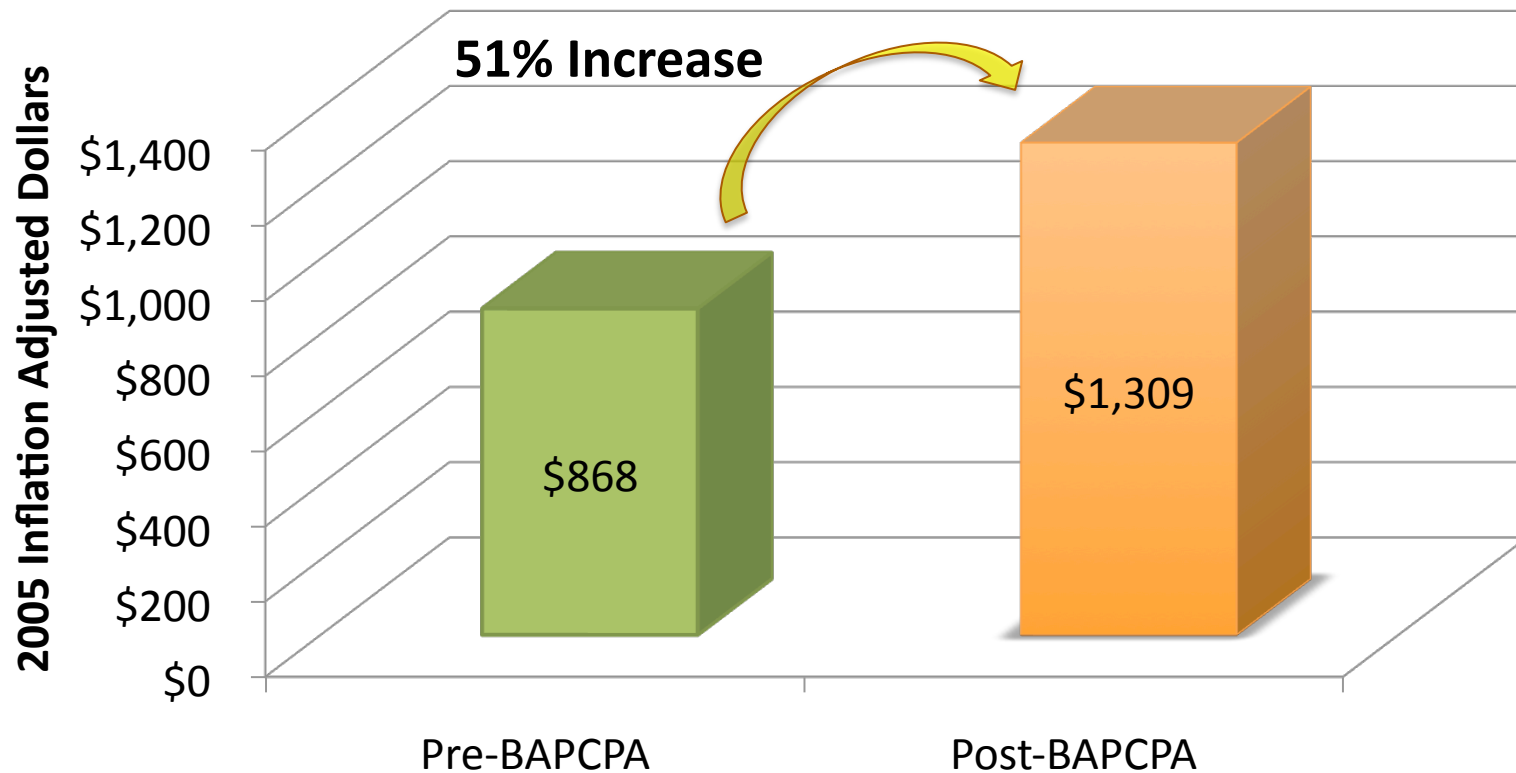
Chapter 7



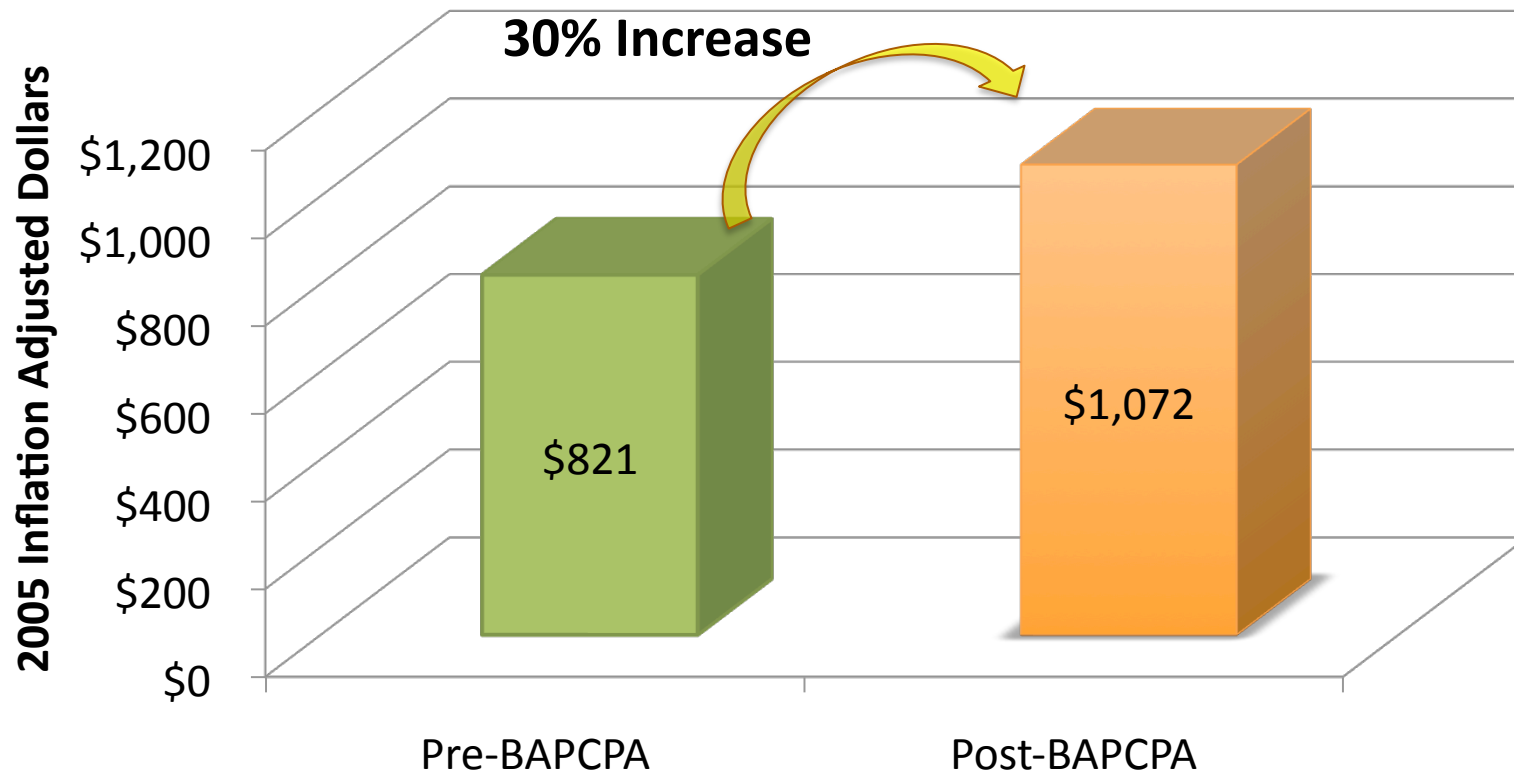
Mean Total Direct Access Costs in Discharged Chapter 7 Asset Cases (National)



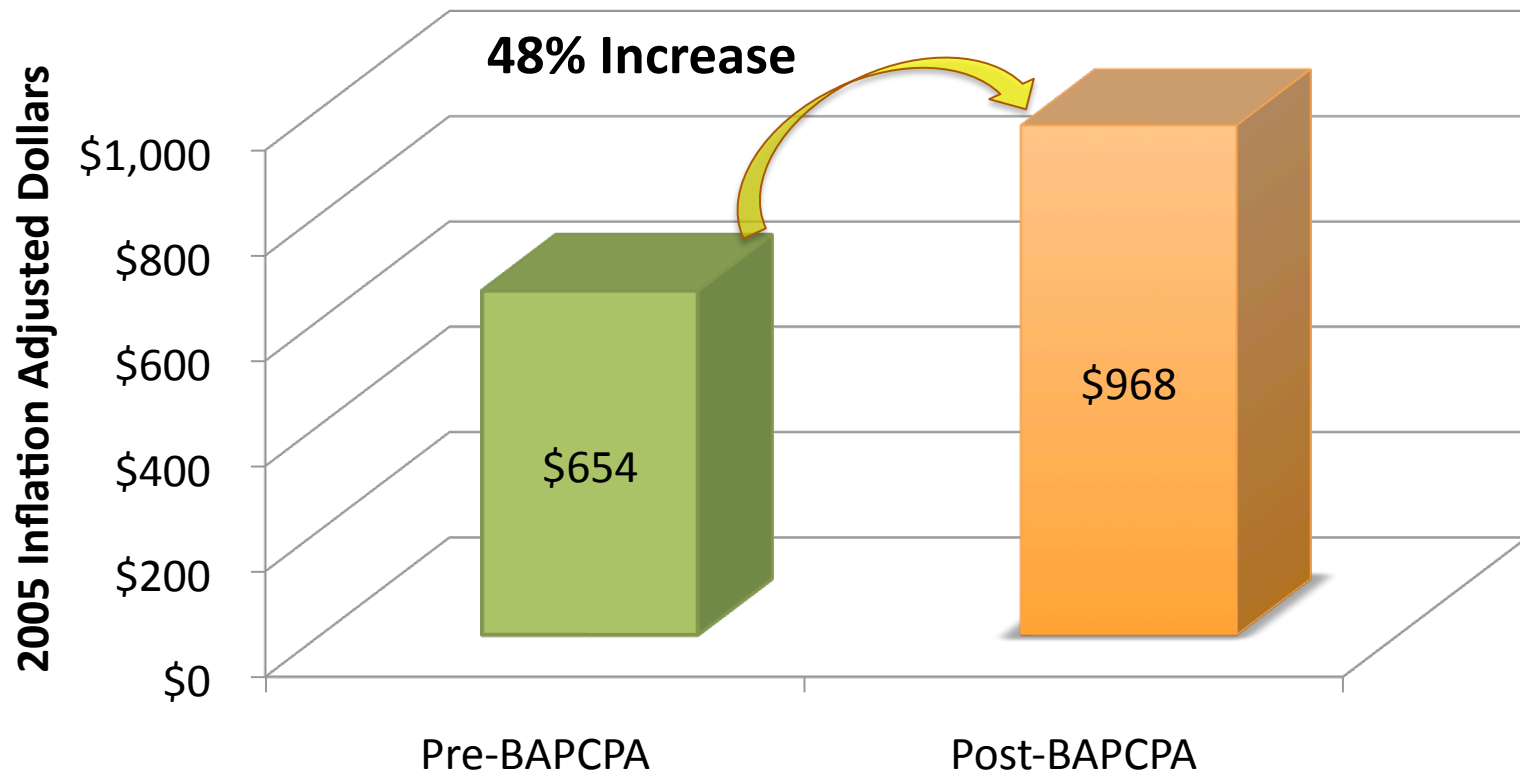
Mean Total Direct Access Costs in Discharged Chapter 7 No-Asset Cases (National)



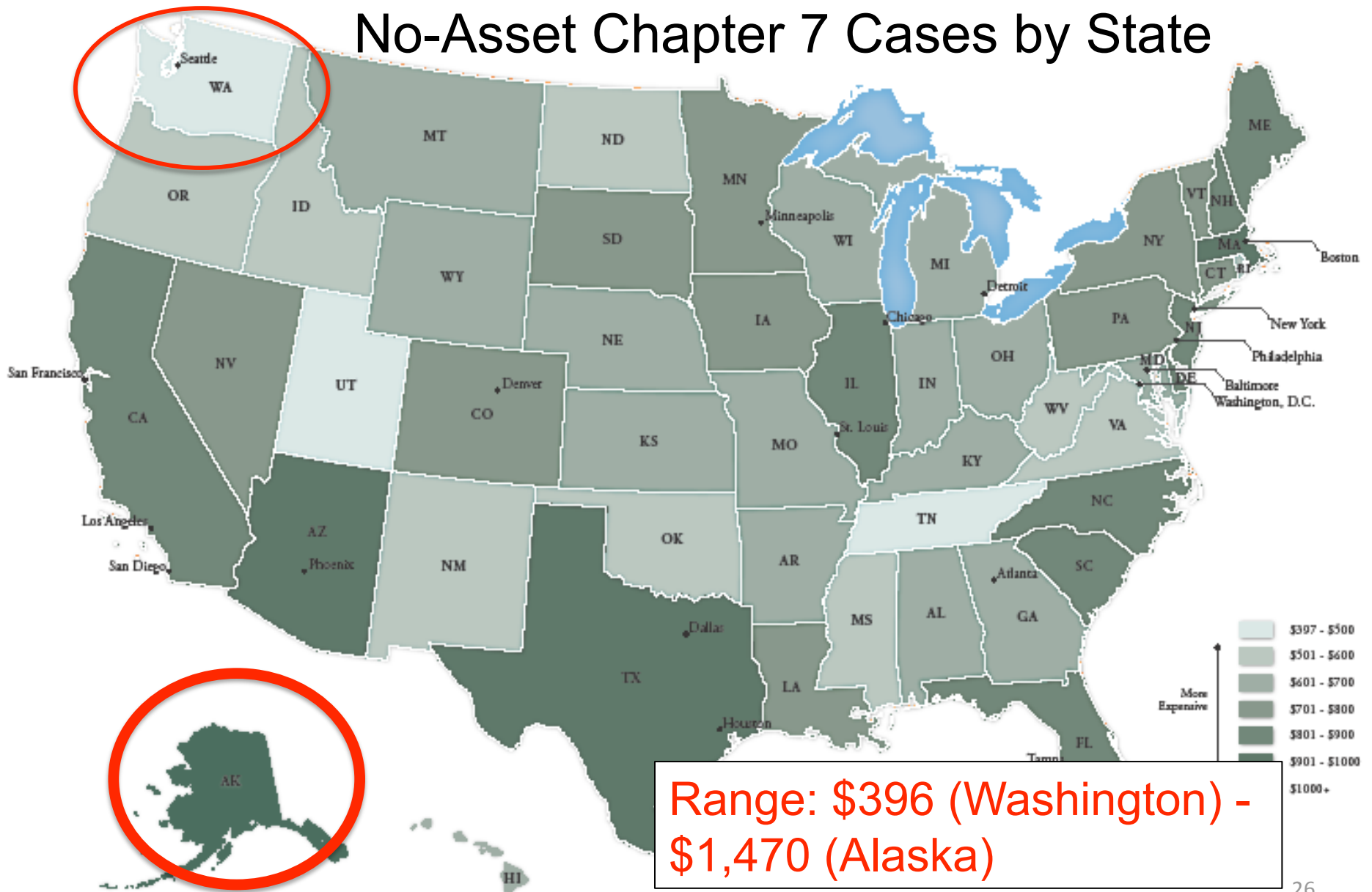
Mean Attorney Fee in Discharged Chapter 7 Asset Cases (National)



Mean Attorney Fee in Discharged Chapter 7 No-Asset Cases (National)

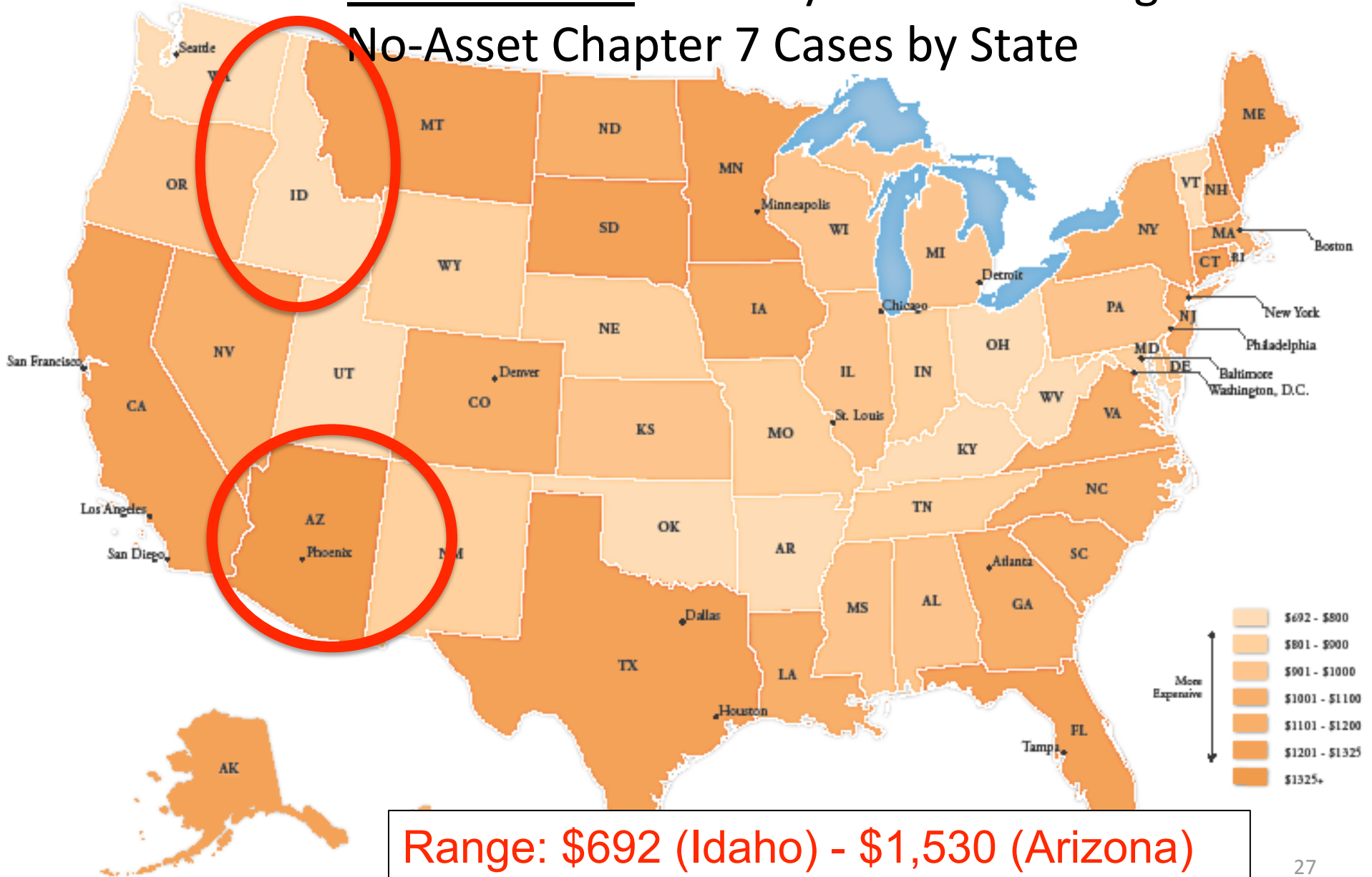


Mean Pre-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by State

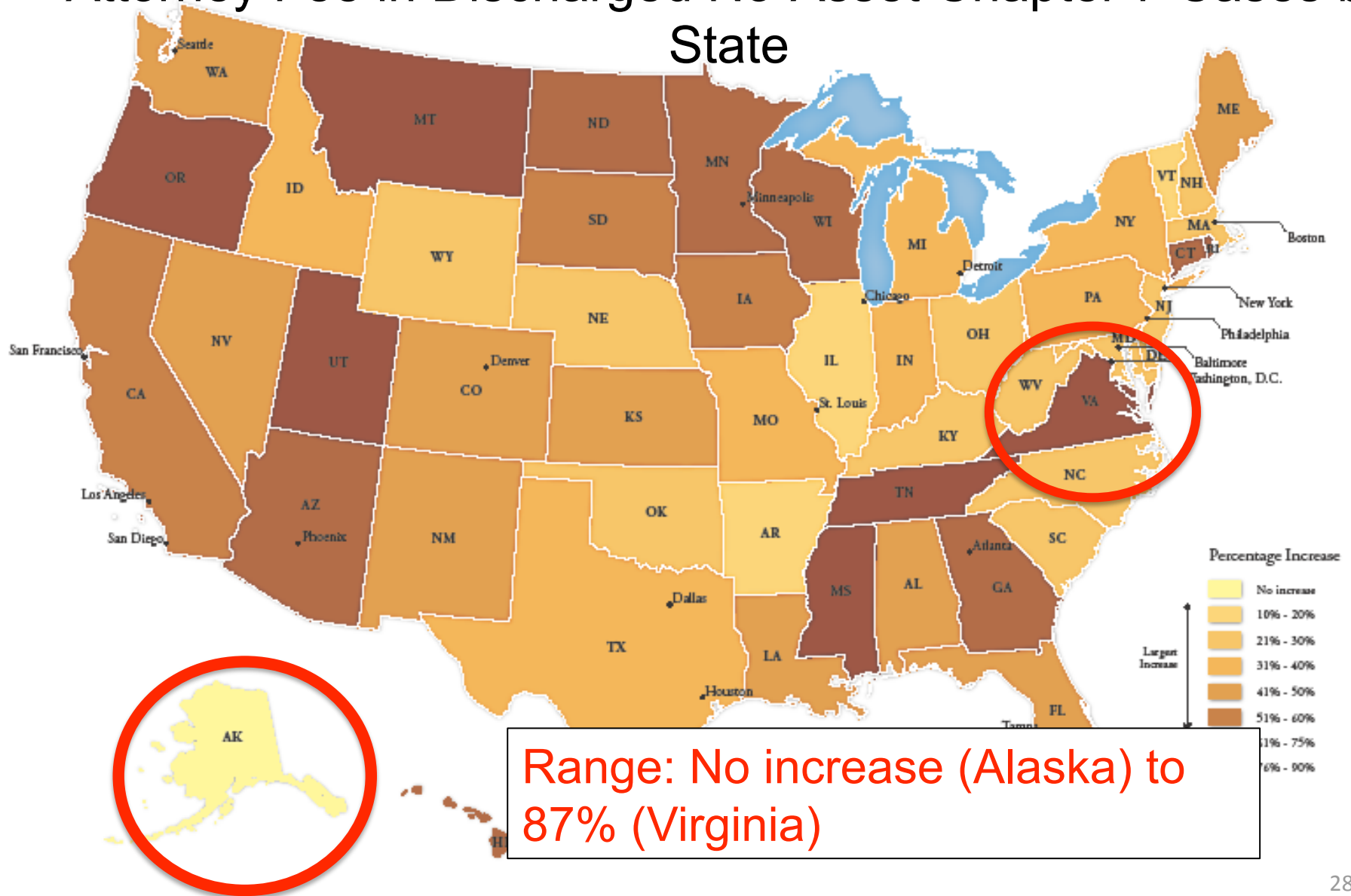


Inflation adjusted 2005 dollars. Post-BAPCPA period: October 17, 2005 - December 31, 2009. Includes cases converted from Chapter 13.

Mean Post-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by State

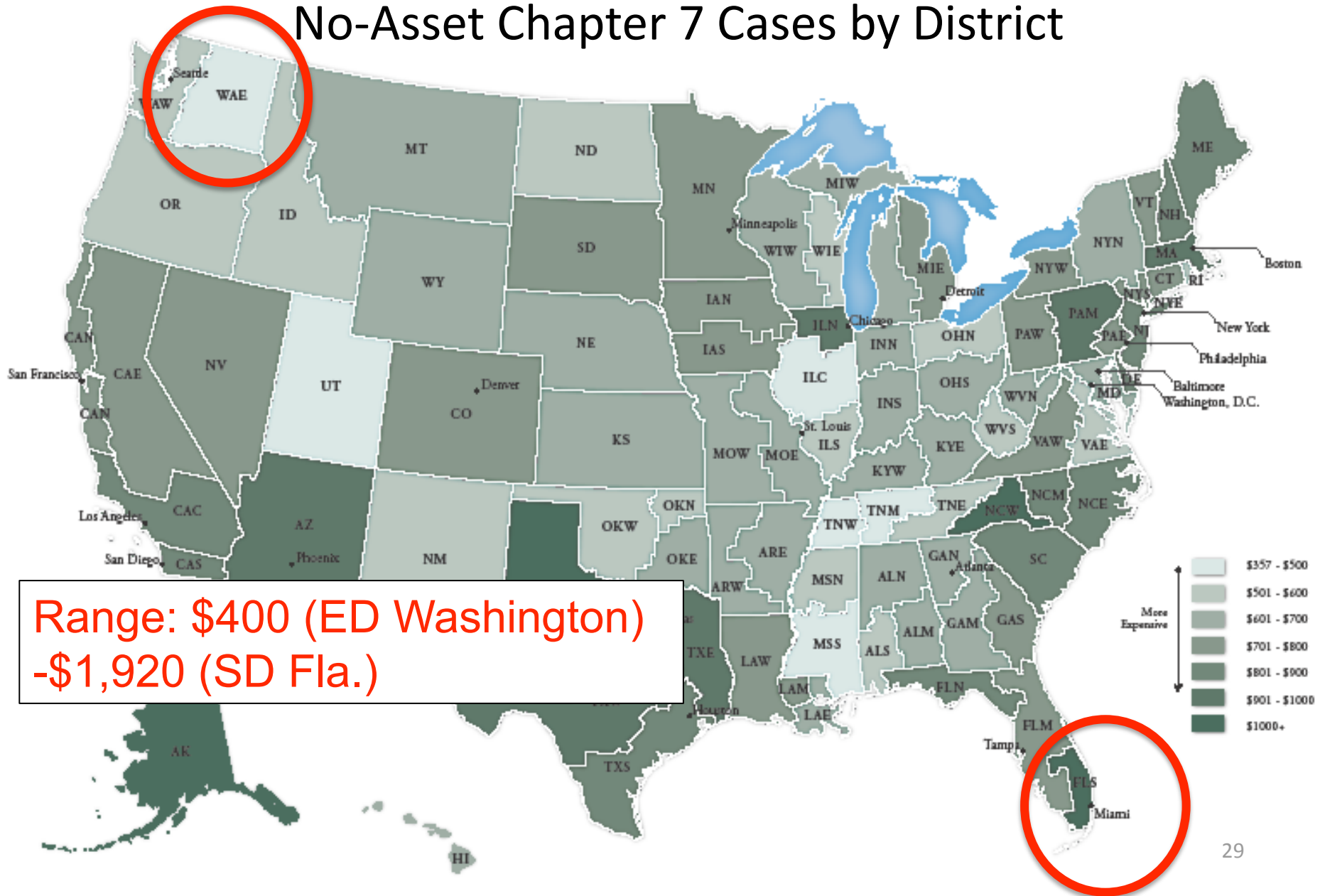


Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by State

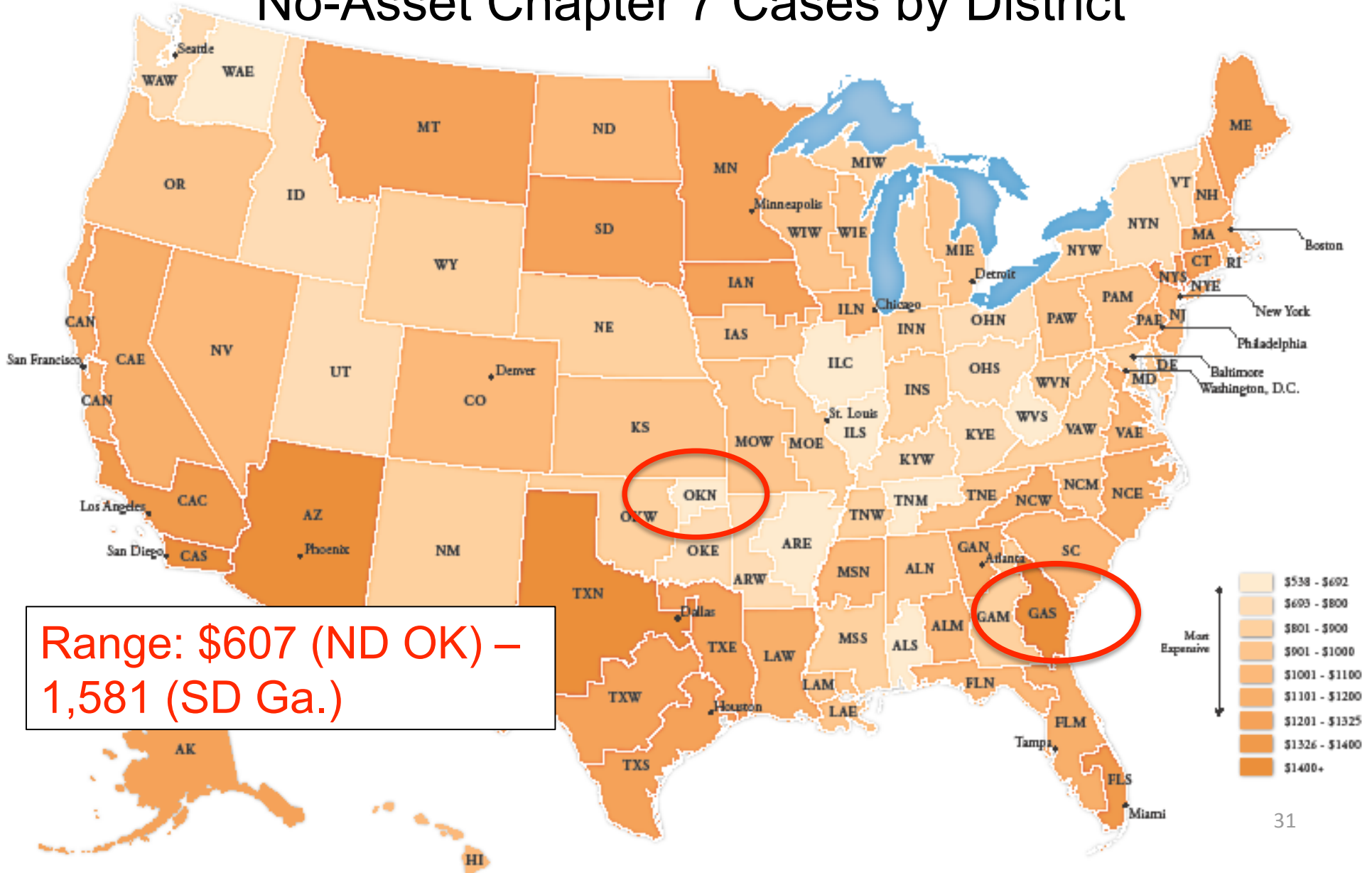


*Inflation-adjusted 2005 dollars. Pre-BAPCPA period: January 1, 2003 - October 16, 2005. Post-BAPCPA period: October 17, 2005 - December 31, 2009. Includes cases converted from Chapter 13.

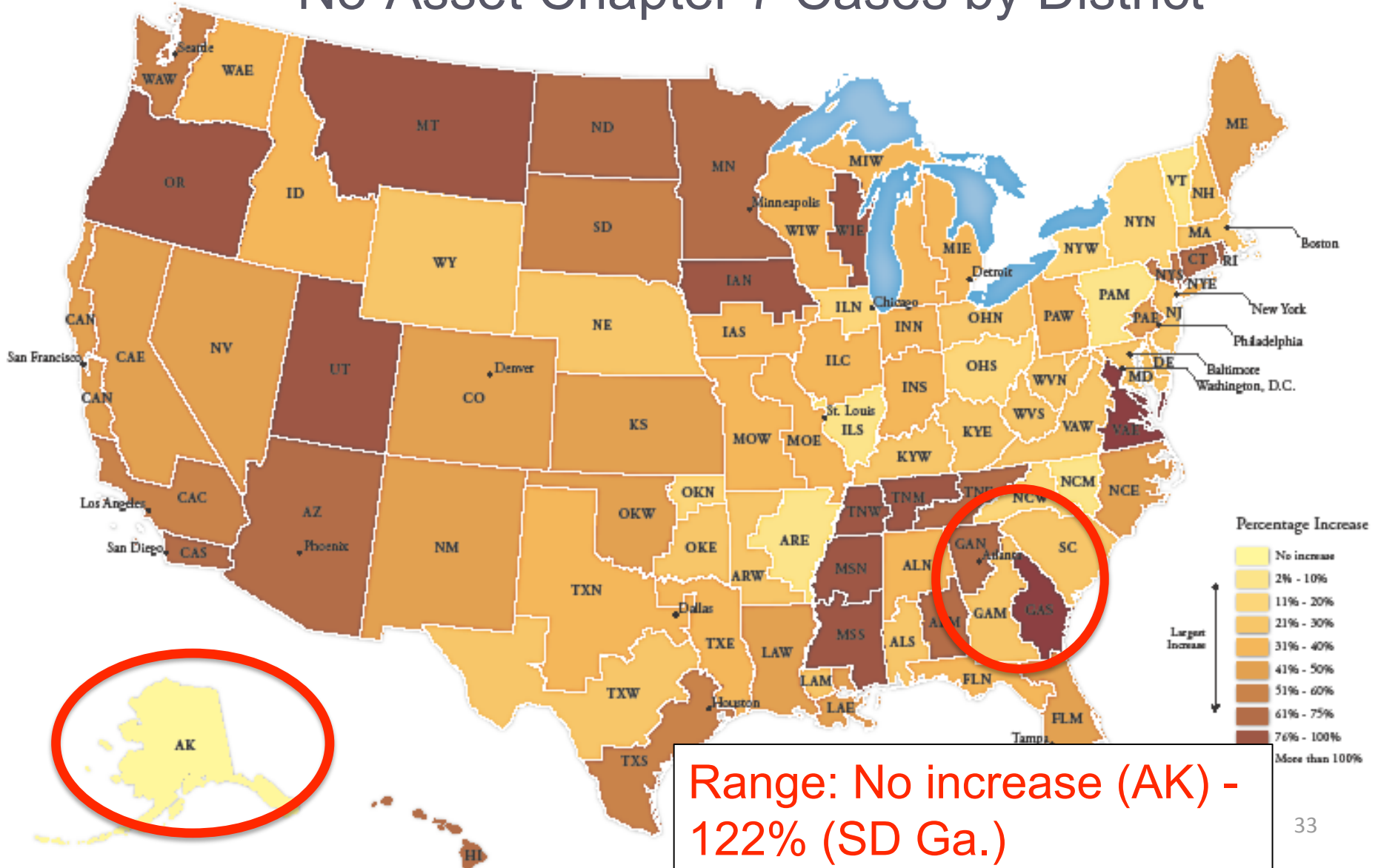
Mean Pre-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by District



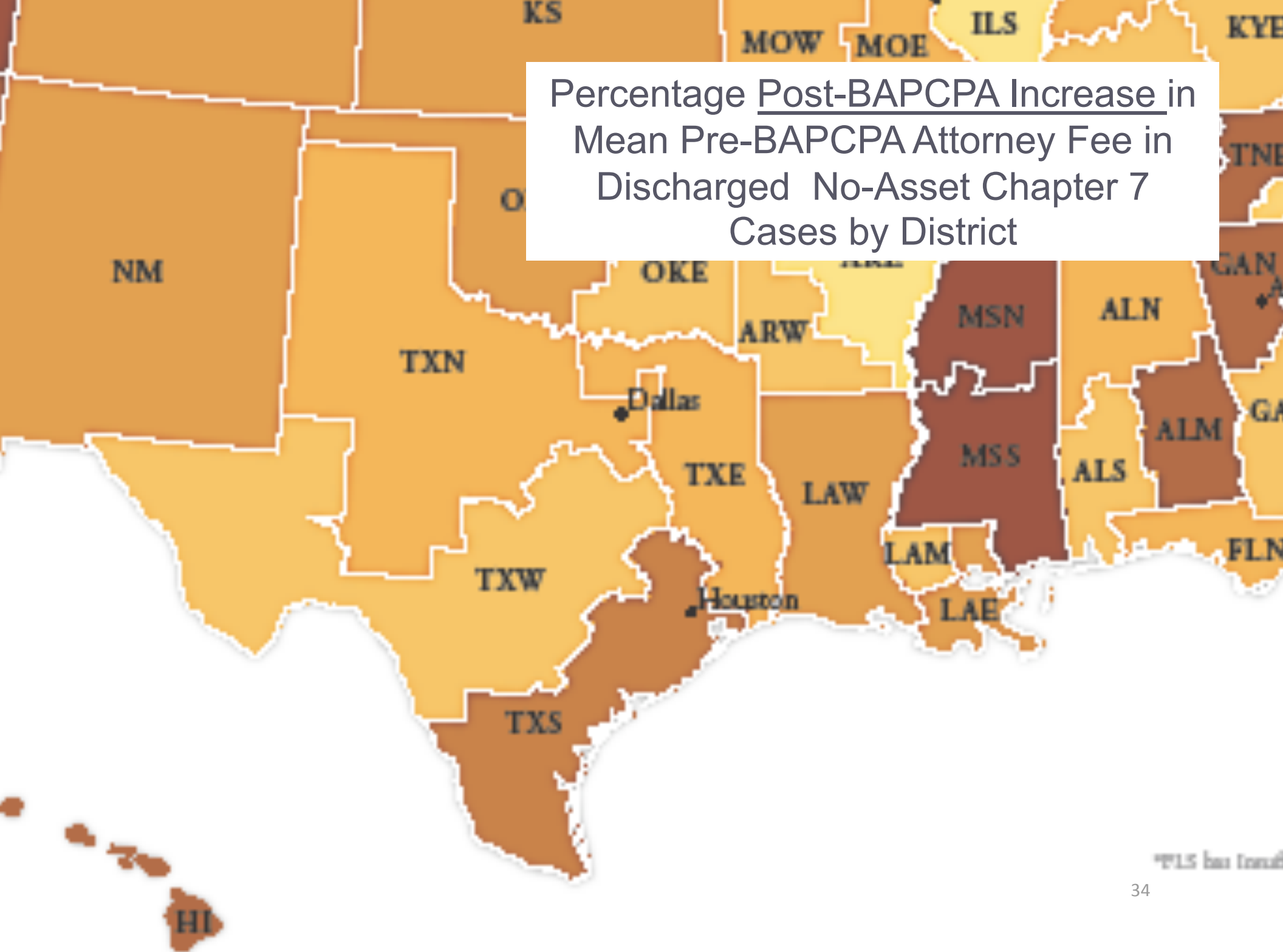
Mean Post-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by District



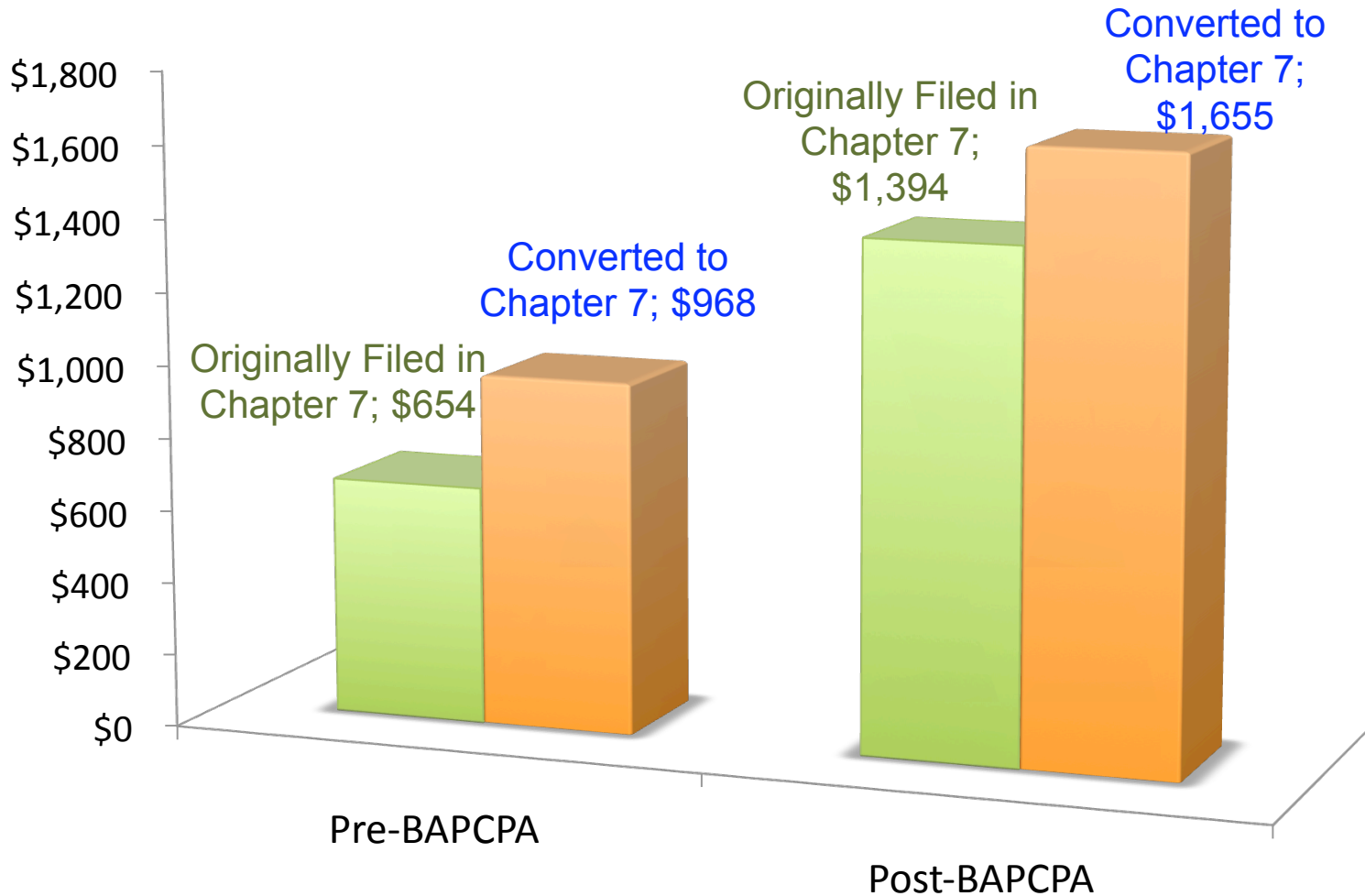
Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by District



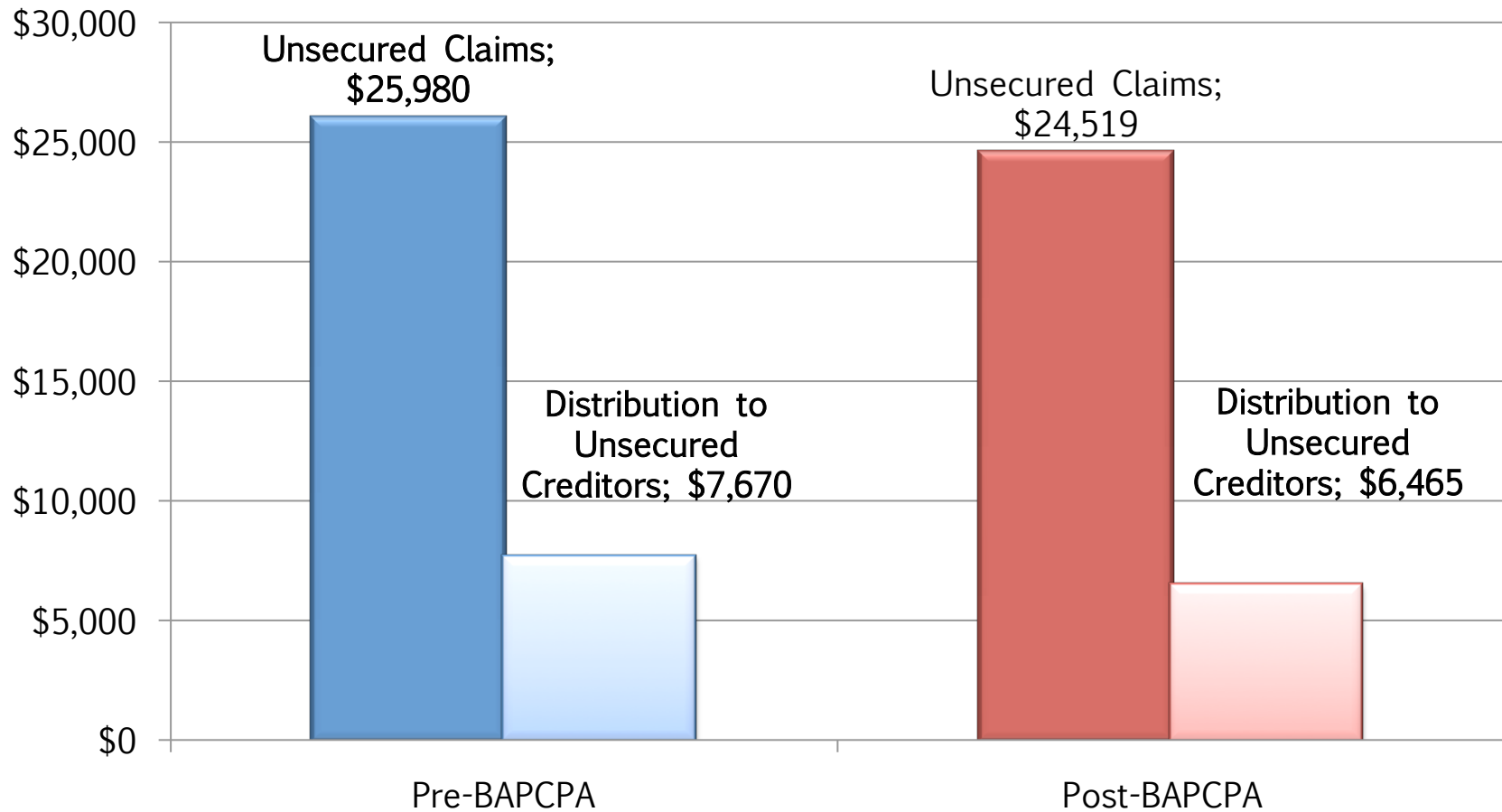
Percentage Post-BAPCPA Increase in Mean Pre-BAPCPA Attorney Fee in Discharged No-Asset Chapter 7 Cases by District



Mean Attorney Fee in No-Asset Discharged Chapter 7 Converted Cases Compared to No-Asset Discharged Chapter 7 Cases

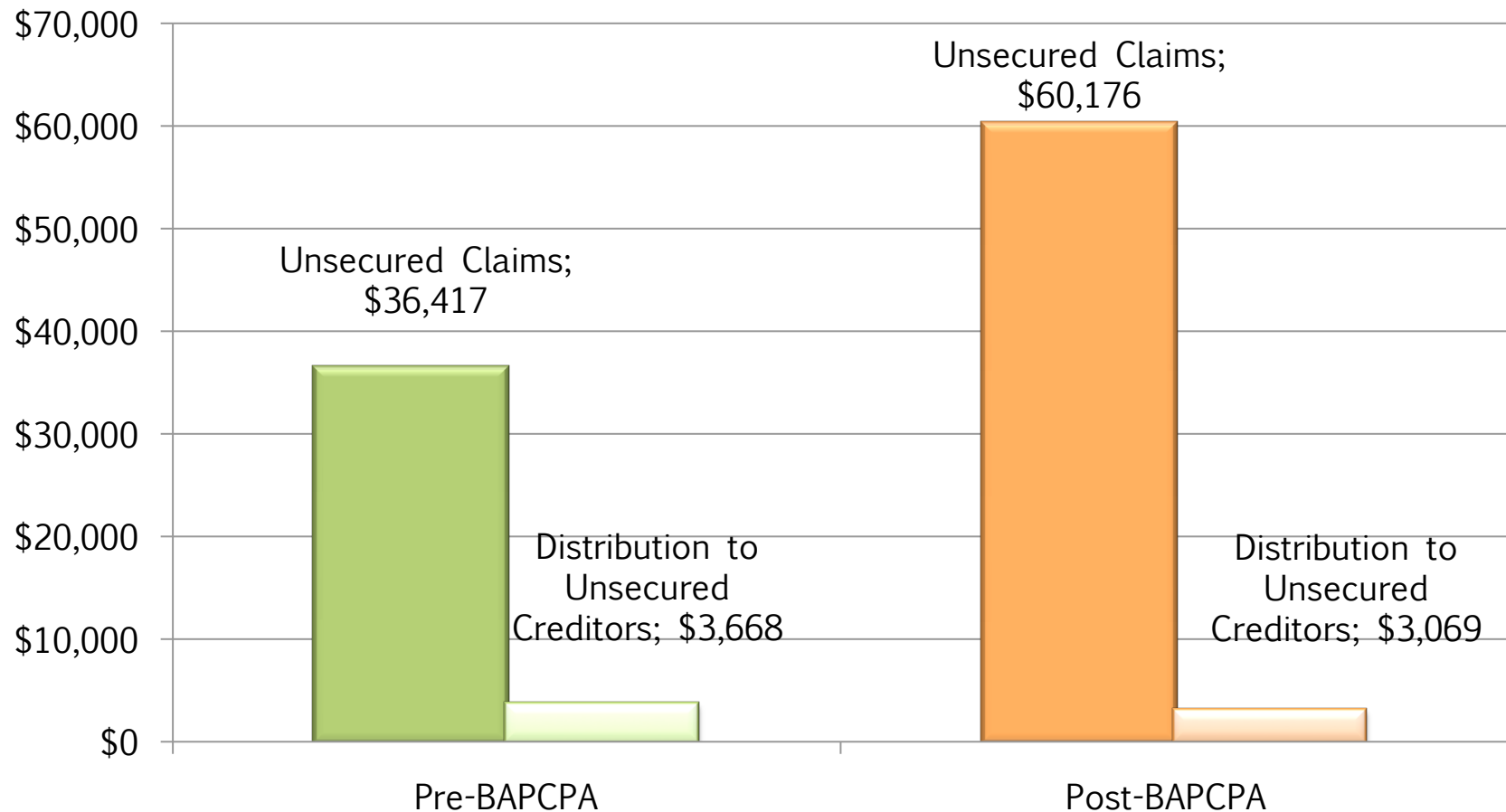


Allowed Unsecured Claims and Distributions to Unsecured Creditors in Closed Chapter 13 Cases



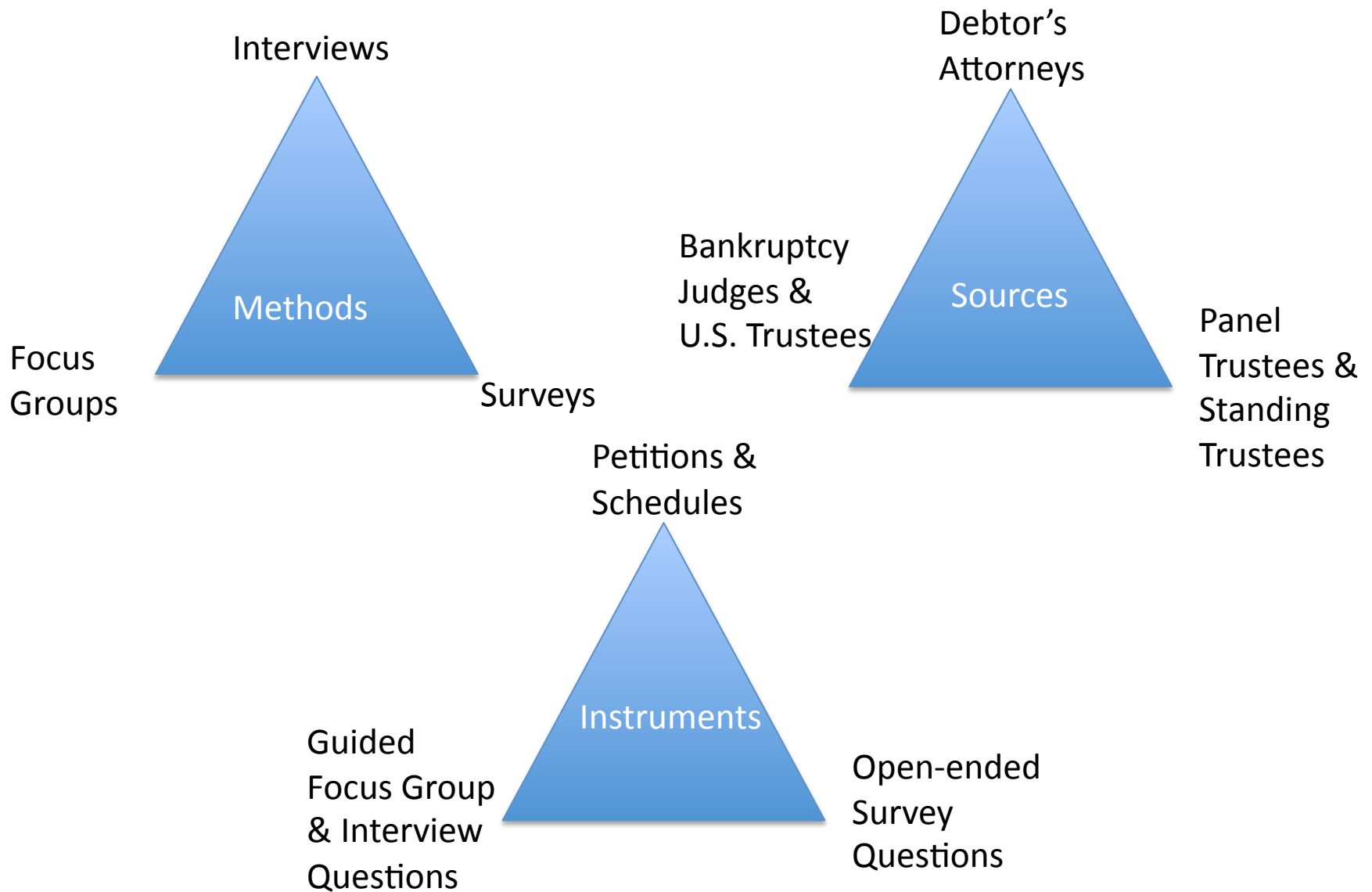
Slight decrease in distributions to unsecured creditors relative to claims

Allowed Unsecured Claims and Distributions to Unsecured Creditors in Chapter 7 Asset Cases



Slight decrease in distributions to unsecured creditors relative to claims

Triangulation



Debtor Decision-making & BAPCPA Effects



- Initial consultation

Acclimating to decision to file

Months go by

- Gather documentation

- Prepare filing

Prepare filing again

Chapter 7

**Attorney fee typically
paid up front**

(unenforceable agreements)

Price set by “market”

Few jurisdictions with
“presumptive fee”

Downward pressure

Price /market competition

Panel Trustees

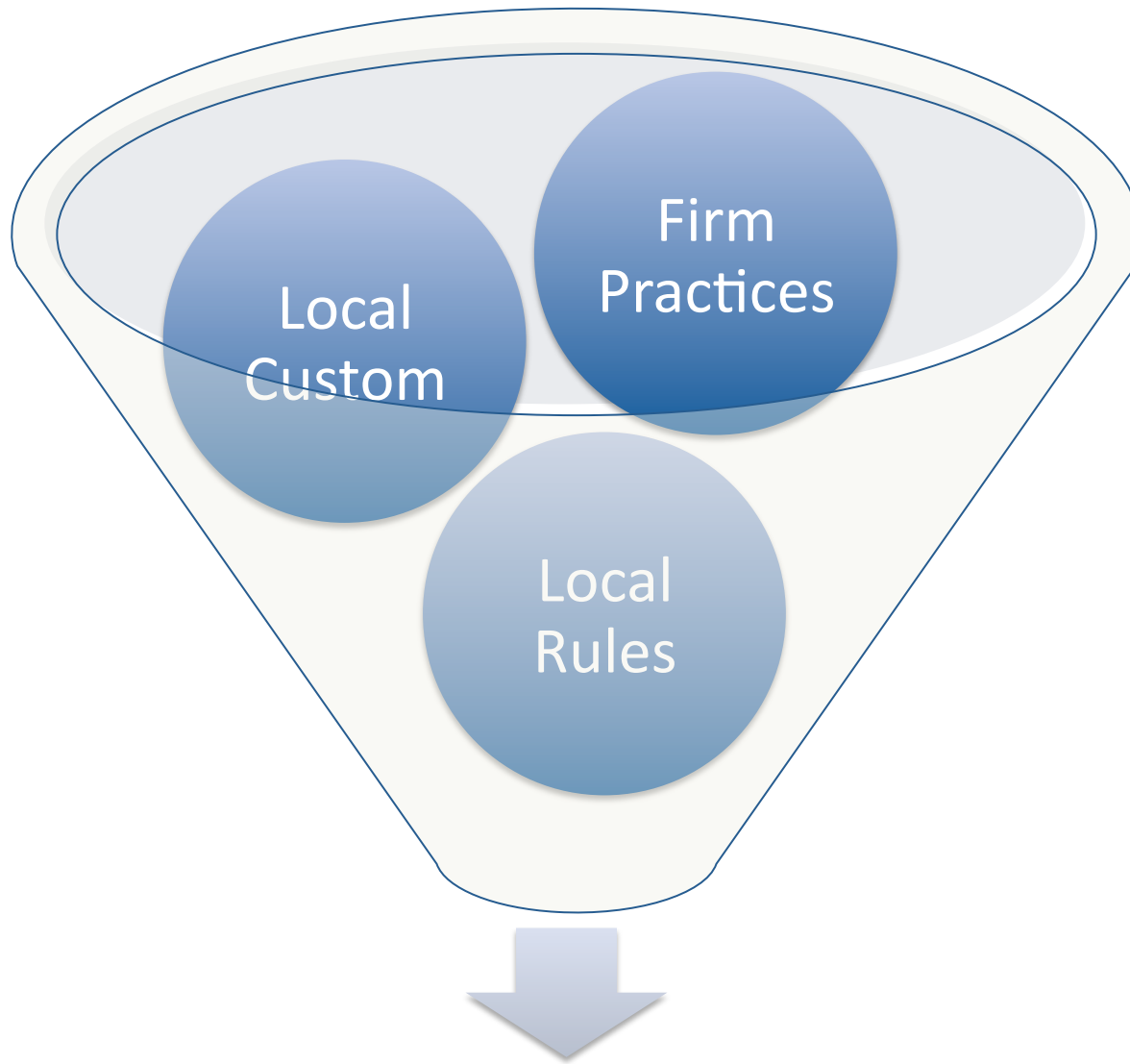
2 – 3x more time to administer a case

Continuances for debtor's failure to produce documents common

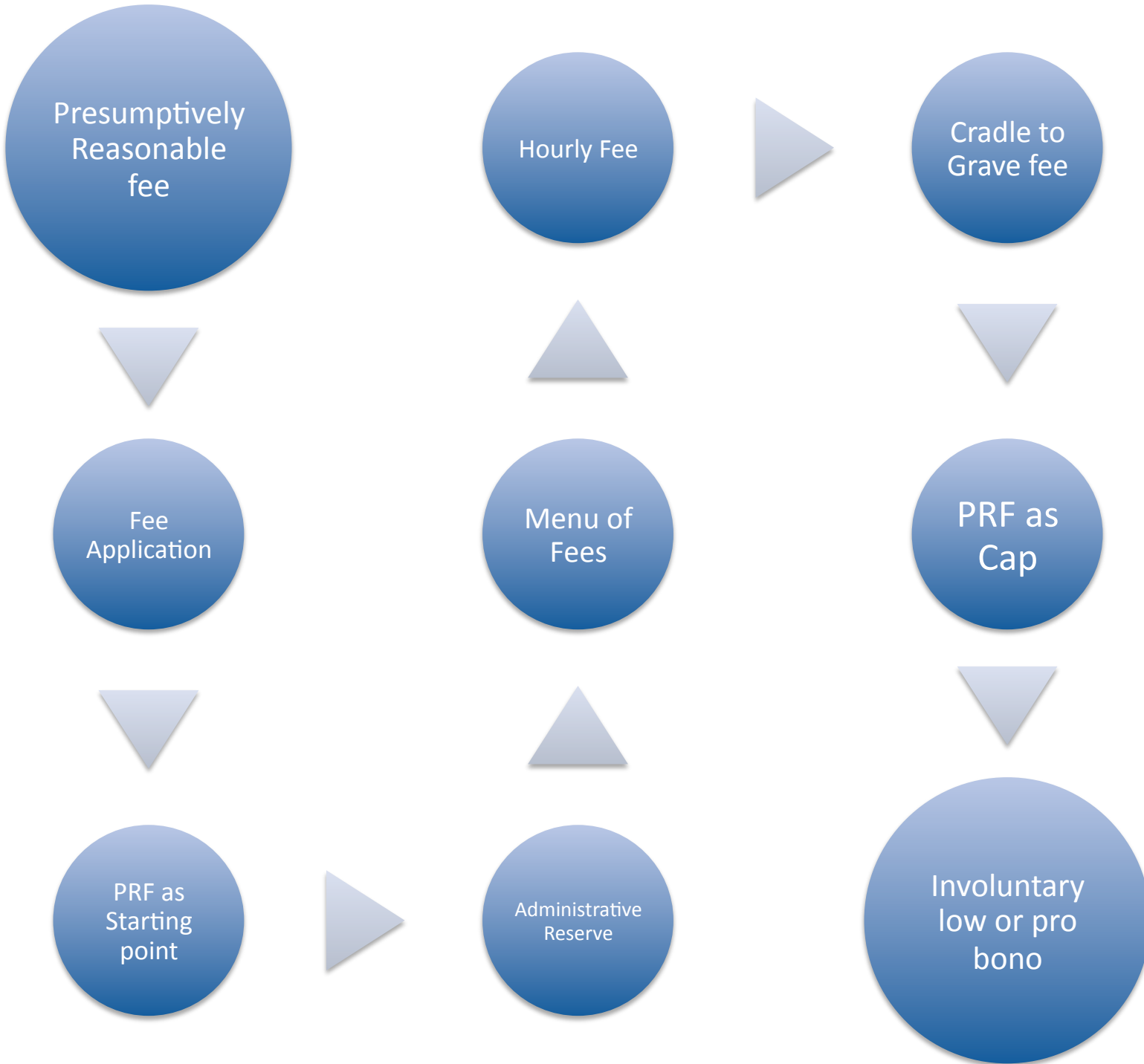
No-asset Panel Trustee fee:
\$60

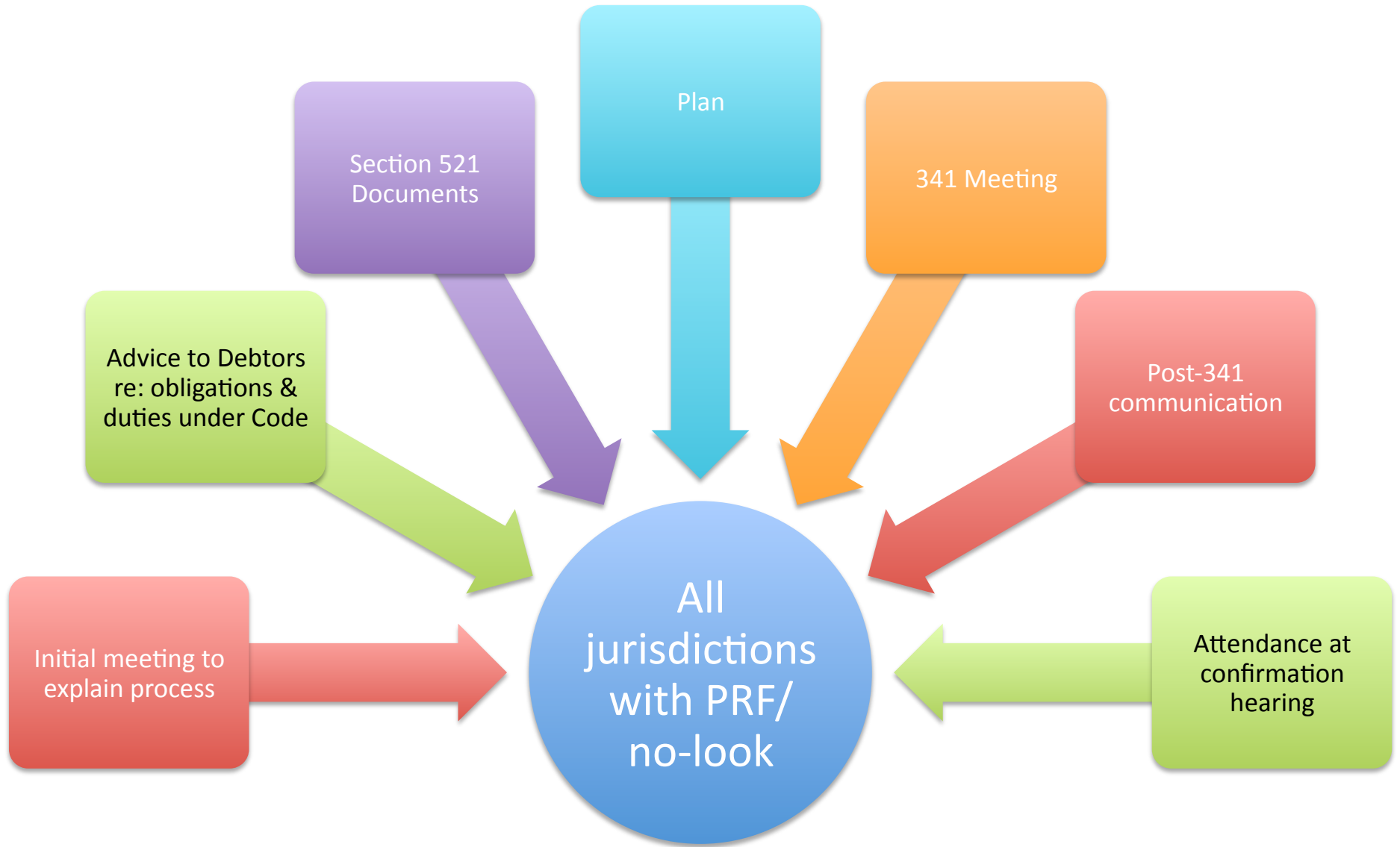
Impact of IFP cases

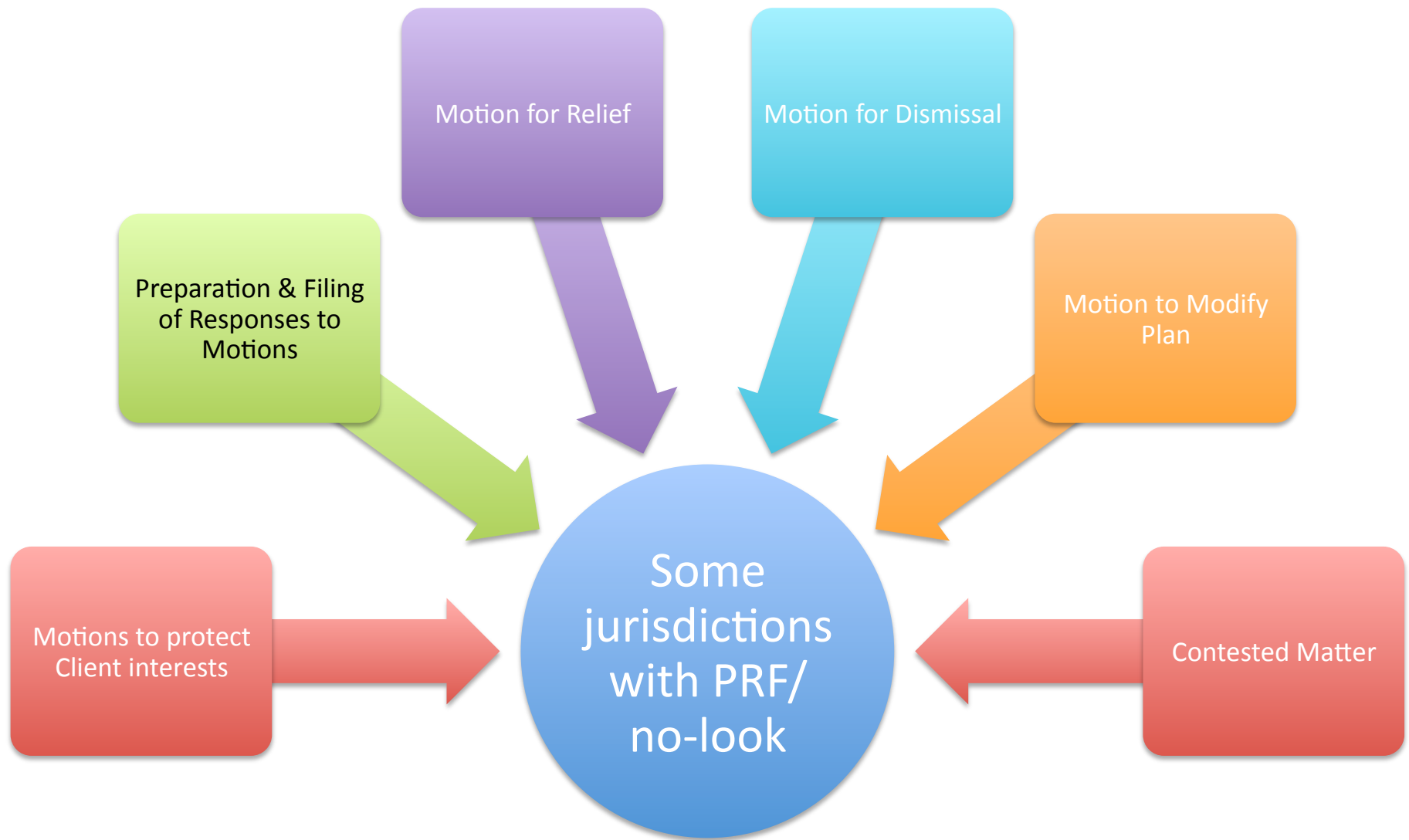
- Data show 1.9% of all cases IFP
- Variation by jurisdiction
- Mean attorney Fees in IFP cases *when* attorney is paid: \$502

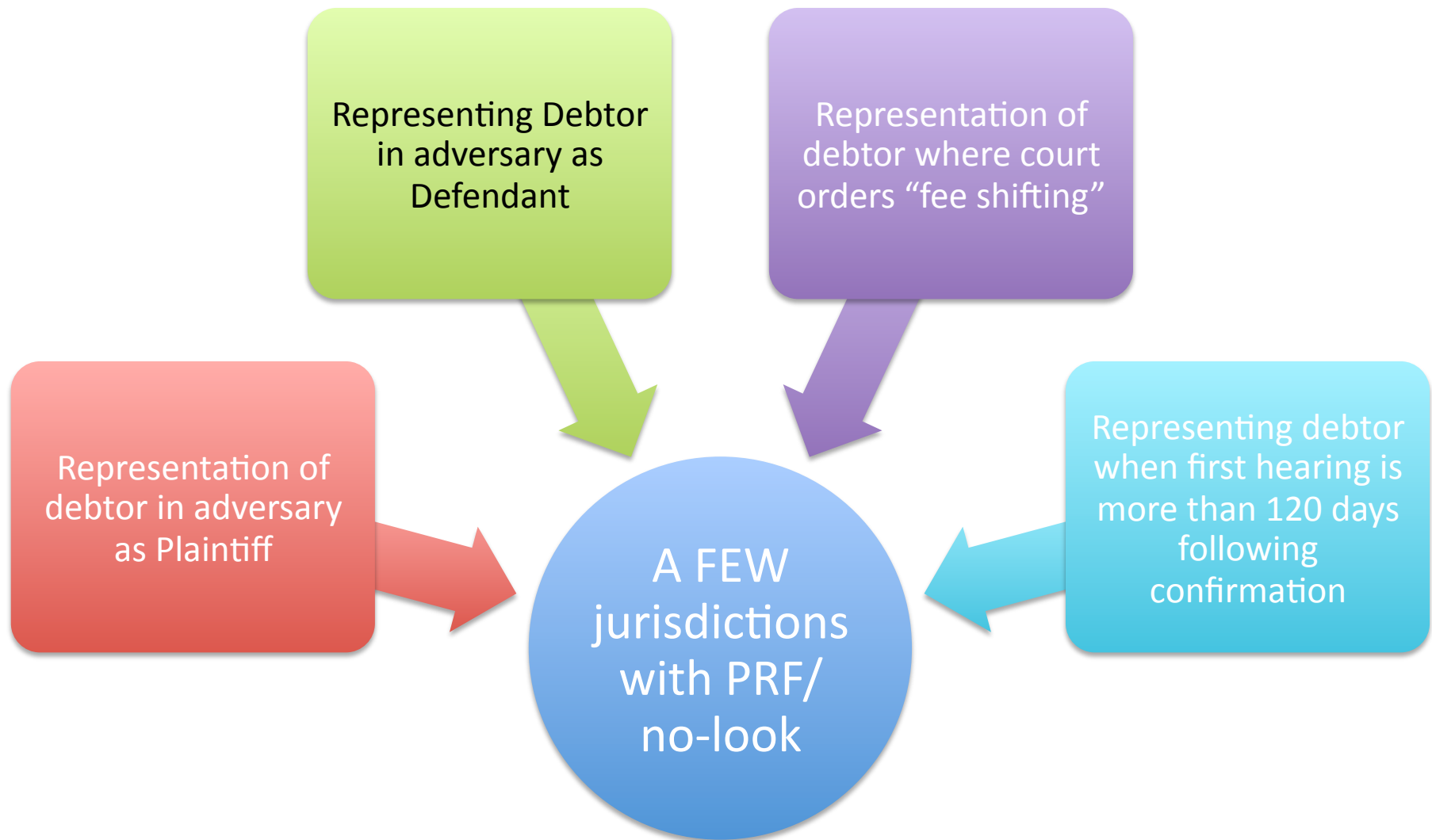


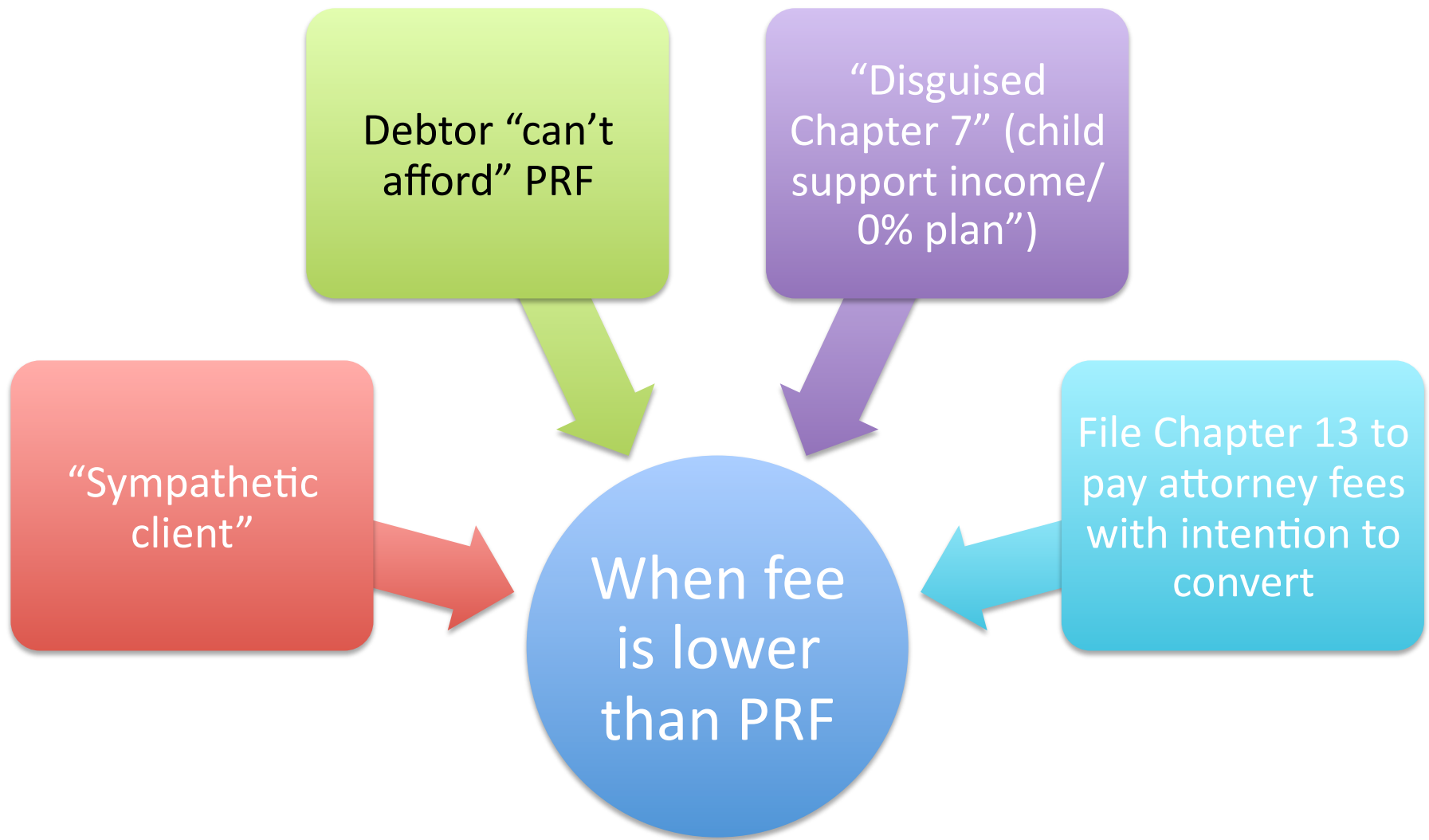
Fees in Chapter 13 Cases

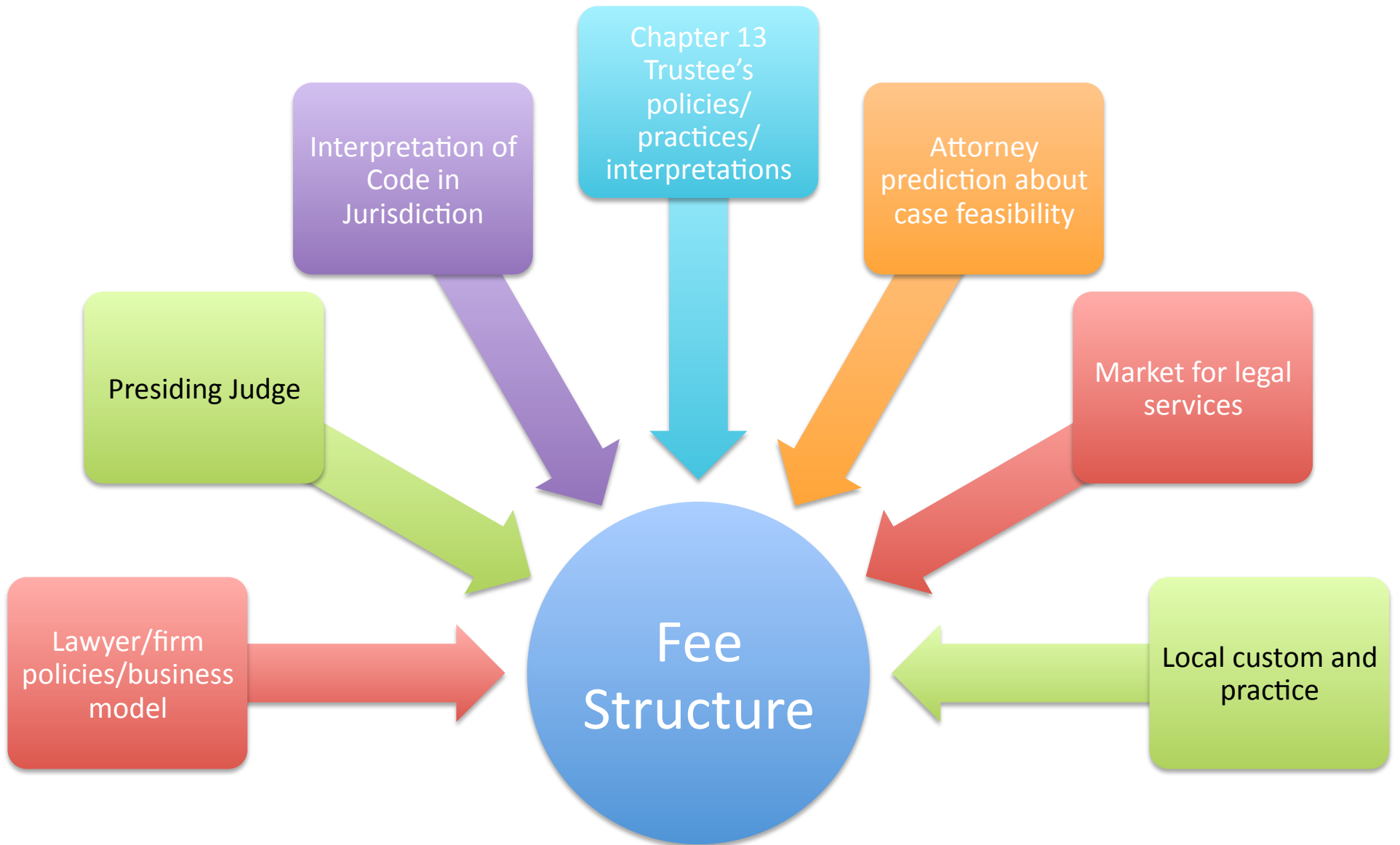


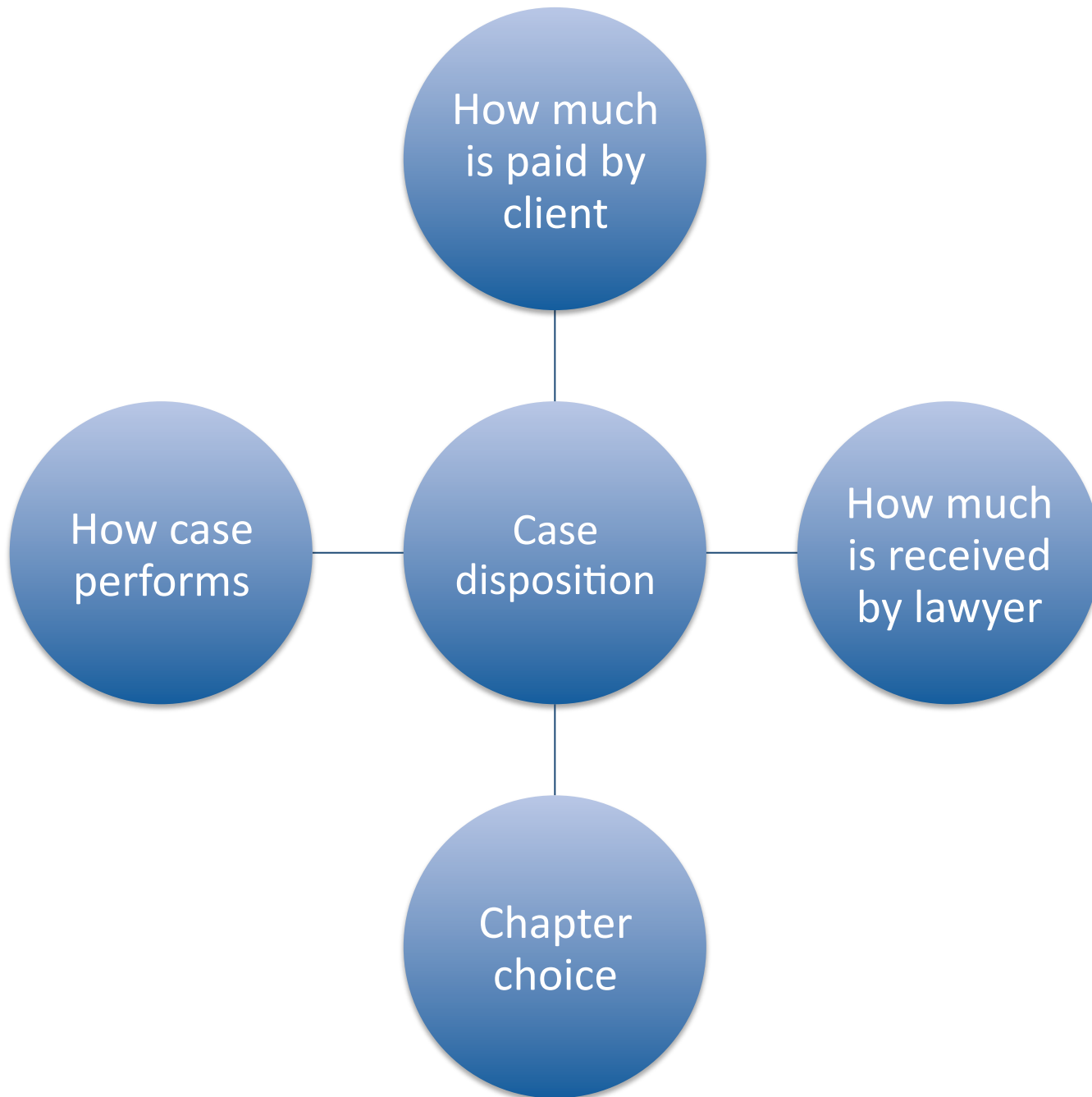


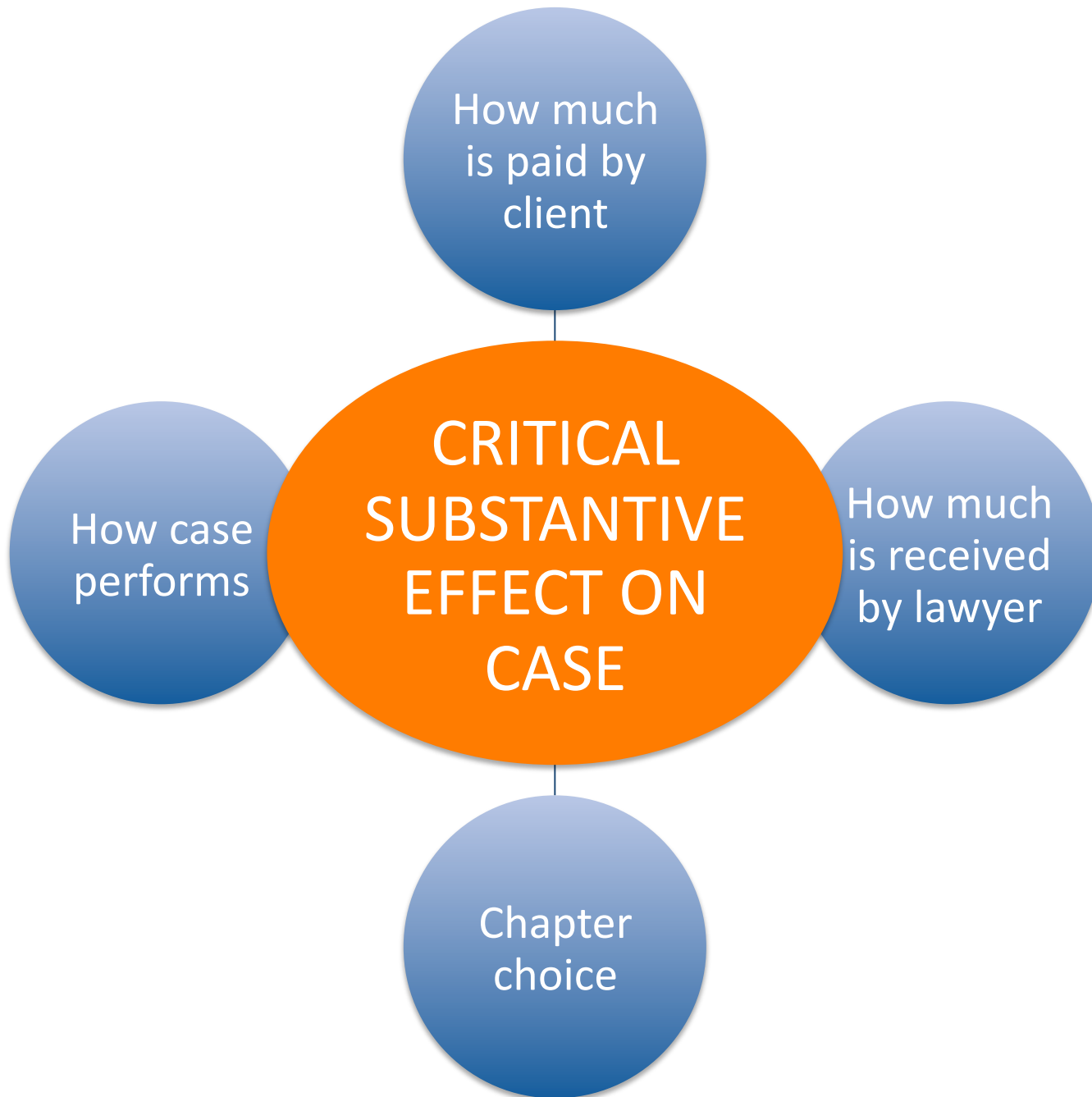






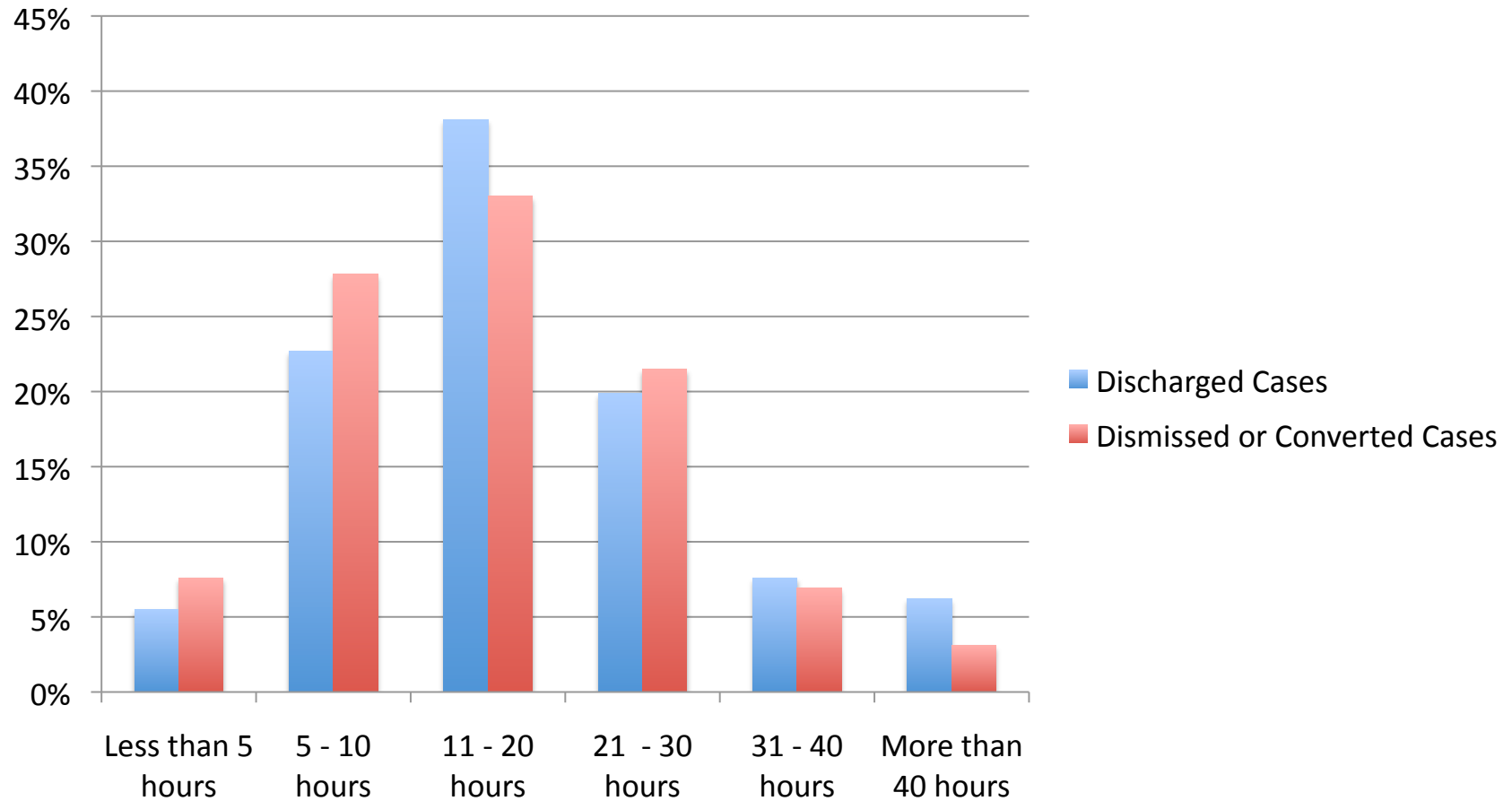




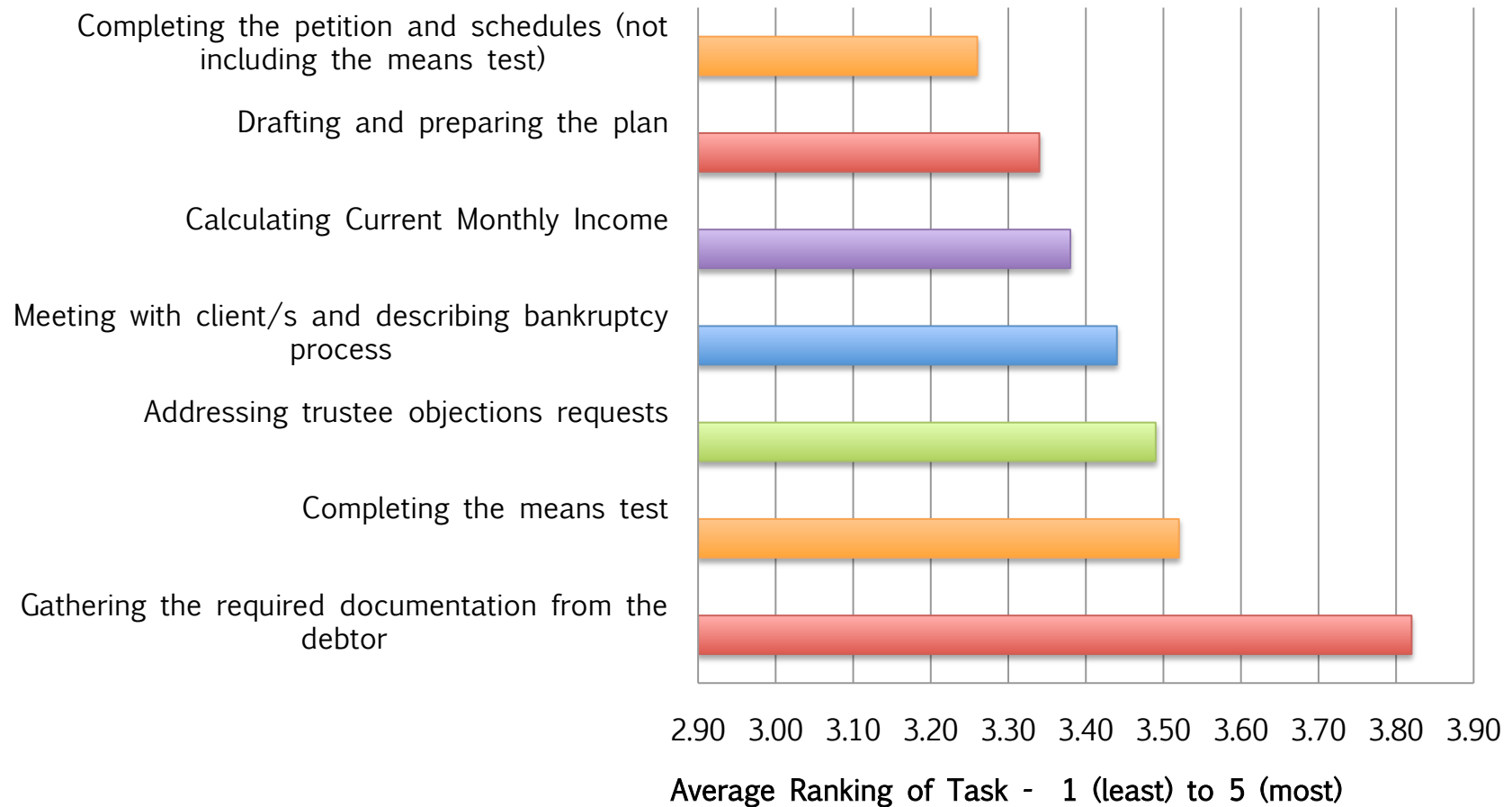


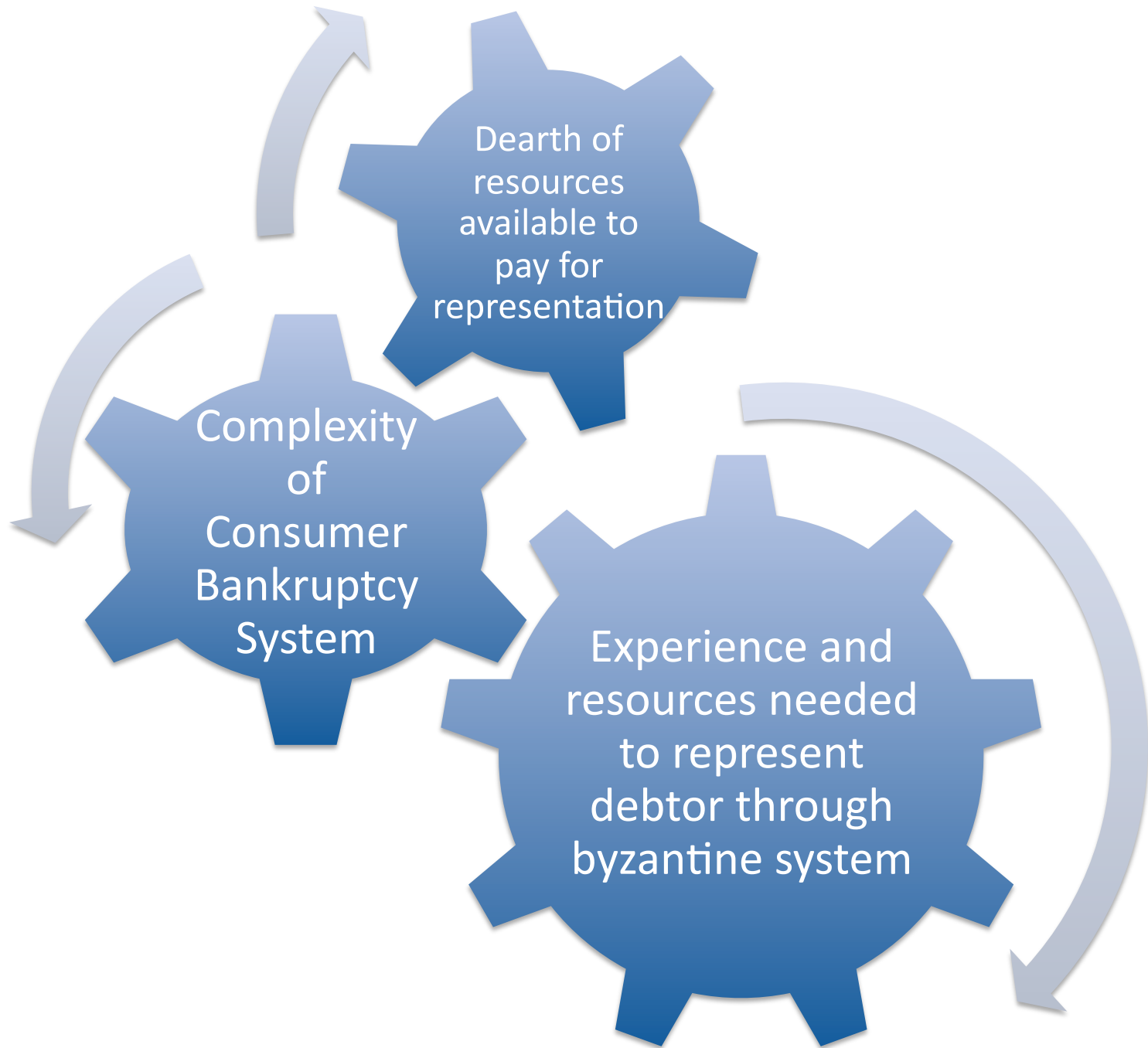


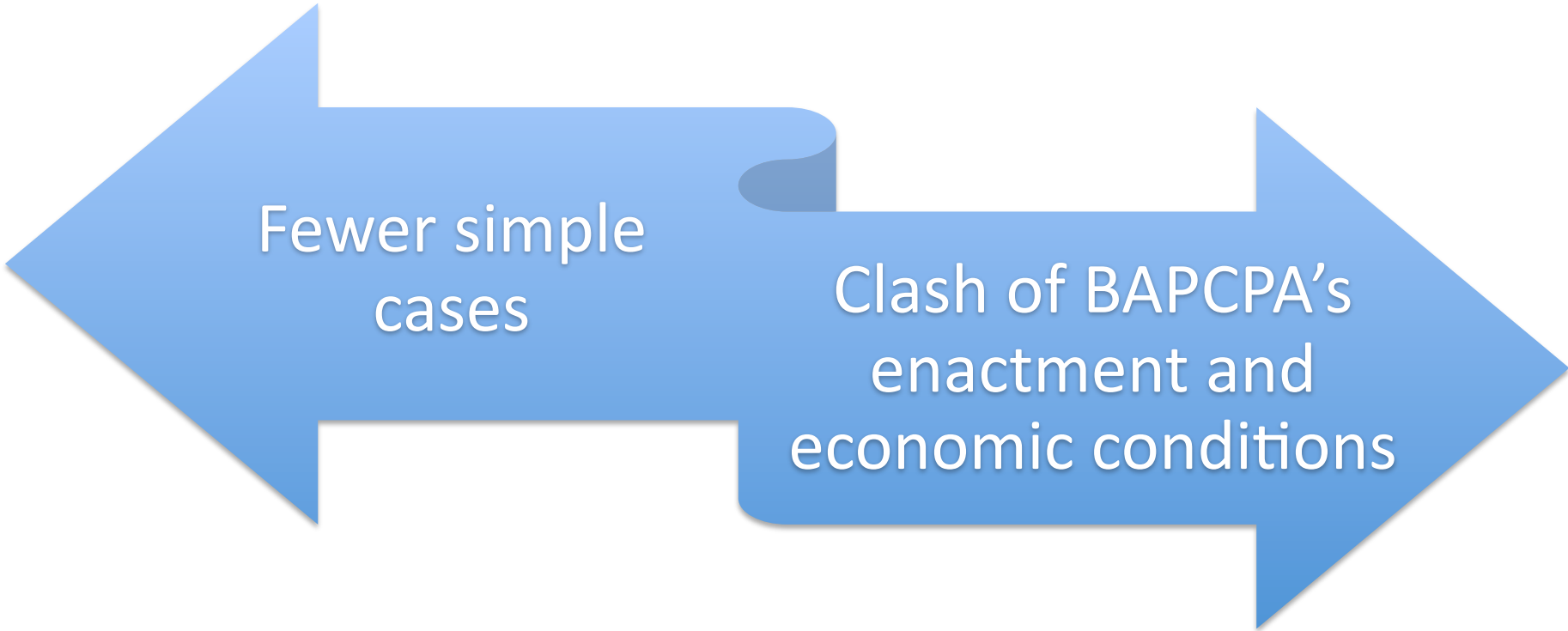
Time Spent on Discharged and Dismissed/ Converted Chapter 13 Cases



Ranking of Tasks as Most and Least Time-Consuming, Top Time-Consuming Tasks








Fewer simple cases

Clash of BAPCPA's
enactment and
economic conditions

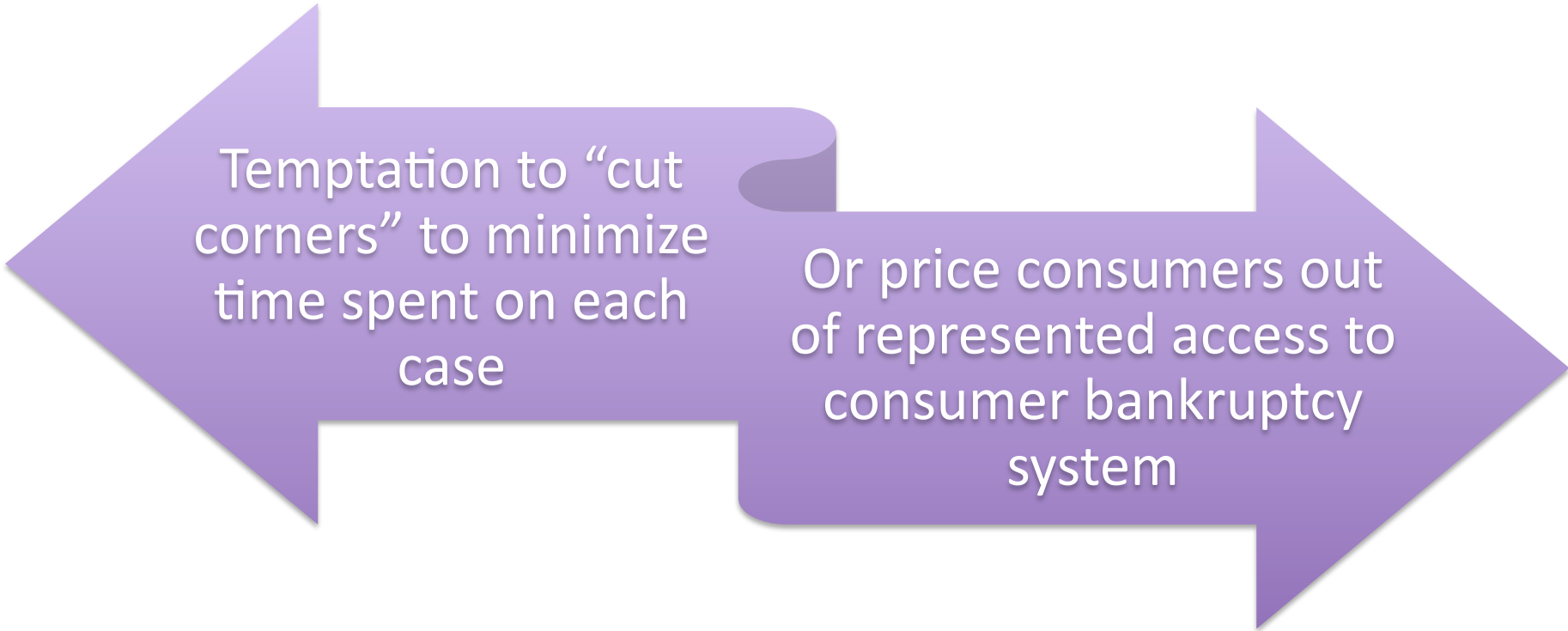
Greater need for
nuanced
understanding of
the system

How the system works
in theory v. how it works
in practice

A diagram consisting of two light green arrows pointing in opposite directions, one to the left and one to the right. The arrows are connected at their inner ends, forming a shape similar to a double-headed arrow. The text is centered within each arrow.

**System less
tolerant of
mistakes**

**More
opportunities to
make errors**



Temptation to “cut corners” to minimize time spent on each case

Or price consumers out of represented access to consumer bankruptcy system

System is fighting
“best practices”

Indispensability of
highly skilled consumer
bankruptcy attorneys

Thank you

This Study was funded with generous contributions to the American Bankruptcy Institute Anthony H.N. Schnelling Foundation and the National Conference of Bankruptcy Judges Endowment for Education.

In funding this research, neither the American Bankruptcy Institute nor the National Conference of Bankruptcy Judges Endowment endorses or expresses any opinion with respect to any conclusions, opinions or reports of any research funded by these grants.