MODEL RETENTION AGREEMENT

Rights and Responsibilities Agreement between
Chapter 13 Debtors and their Attorneys

United States Bankruptcy Court
District of Idaho

Chapter 13 gives debtors important rights, such as the right to keep property that could otherwise be lost through repossession or foreclosure – but Chapter 13 also puts burdens on debtors, such as the burden of making complete and truthful disclosures of their financial situation. Debtors who file a Chapter 13 must understand their rights and responsibilities in bankruptcy. For this reason, the advice of an attorney is crucial. Debtors can expect certain services will be performed by their attorneys and debtors have responsibilities to their attorneys. To assure that debtors and their attorneys understand the respective roles in the Chapter 13 process, the Bankruptcy Court has approved the following agreement setting out the rights and responsibilities of both debtors and their attorneys.

I. BEFORE THE CASE IS FILED

A. THE DEBTOR(S) AGREE TO:

1. Discuss debtor(s)' objectives in filing the case with the attorney.

2. Provide the attorney with full, accurate and timely information, financial and otherwise, including properly documented proof of income.

3. Keep and maintain regular contact with the attorney.

4. Provide the attorney with recent proof of income, picture identification, and proof of social security number, and any other required information, as requested by the attorney.

B. THE ATTORNEY AGREES TO:

1. Personally counsel debtor(s) regarding the advisability of filing under any chapter of the Bankruptcy Code, discuss procedures (as well as non-bankruptcy options) with debtor(s), and answer questions.

2. Personally explain to debtor(s) that the attorney is being engaged to represent debtor(s) on all matters arising in this case, as required by Local Bankruptcy Rule, and explain how and when the attorney’s fees and the trustee’s fees are determined and paid.

3. Review with debtor(s) and sign the completed petition, plan, statements, and schedules, as well as all amendments thereto, whether filed with the petition or later.

4. Timely prepare and file debtor(s)’ petition, plan, statements, and schedules.

5. Explain to debtor(s) how, when, and where to make all necessary payments, including both payments that must be made directly to creditors and payments that must be made to the Chapter 13 trustee, with particular attention to housing and vehicle payments.

6. Advise debtor(s) of the need to maintain appropriate insurance, as may be required.

7. At the time of filing and at least 14 days prior to the meeting of creditors (“Section 341(a) meeting”), provide the trustee with recent proof of income, picture identification, and proof of social security number, and any other required information, as requested.

8. Assist debtor(s) in preparing for, joining, and participating in the Section 341(a) meeting.

II. AFTER THE CASE IS FILED

A. THE DEBTOR(S) AGREE TO:

1. Make the required payments to the trustee and to whatever creditors are being paid directly, or, if required payments cannot be made, to notify the attorney immediately.

2. Punctually appear at the Section 341(a) meeting.

3. Notify the attorney and the trustee of any change in the debtor's address or telephone number.

4. Inform the attorney of any wage garnishment, levies, liens, or repossessions of or on assets that occur or continue after the filing of the case.

5. Contact the attorney immediately if the debtor loses employment, has a significant change in income, or experiences any other significant change in financial situation (such as serious illness, lottery winnings, or an inheritance.)

6. Notify the attorney if debtor(s) are sued or wish to file a lawsuit (including divorce).

7. Provide the attorney with copies of income tax returns, and provide the trustee with any refunds received as required by the Court's Income Tax Turnover Order and proposed/confirmed plan. Inform the attorney if any tax refunds to which debtor(s) are entitled are seized or not received when due from the IRS, the State of Idaho, or other entities.

8. Contact the attorney before buying, refinancing, or selling any property, real or personal, and before entering into any loan agreement.

9. Cooperate with the attorney and the trustee in regard to questions about the allowance or disallowance of claims.

B. THE ATTORNEY AGREES TO:

1. Advise debtor(s) of the requirement to attend the Section 341(a) meeting, and notify the debtor(s) of the date, time, and place of that meeting.

2. Inform debtor(s) that debtor(s) must be punctual and, in the case of a joint filing, that both spouses must appear at the same meeting and testify under oath.

3. Provide knowledgeable legal representation for debtor(s) at the Section 341(a) meeting and at any motion hearing, plan confirmation hearing, and/or plan modification hearing.

4. If the attorney finds it necessary for another attorney to appear and attend the Section 341(a) meeting or any court hearing, personally explain to debtor(s), in advance, the role and identity of the other attorney and provide the other attorney with the file in sufficient time to review it and properly represent debtor(s).

5. Ensure timely submission, at least 14 days prior to the Section 341(a) meeting, to the trustee of properly documented proof of income for the debtor(s), picture identification, proof of social security number, and any other required information, as requested, including business reports for self-employed debtor(s).

6. Timely respond to objections to plan confirmation and, where necessary, prepare, file, and serve an amended plan.

7. Timely prepare, file, and serve any necessary amended statements and schedules and any change of address, in accordance with information provided by debtor(s).

8. Be available to respond to debtor(s)' questions throughout the term of the plan.

9. Prepare, file, and serve timely modifications to the plan after confirmation, when necessary, including modifications to suspend, lower, or increase plan payments.

10. Prepare, file, and serve necessary motions to buy or sell property and to incur debt.

11. Evaluate claims which are filed and, where appropriate, object to filed claims.

12. Timely respond to the trustee's motion to dismiss the case, such as for payment default, or unfeasibility, and to motions to increase plan payments.

13. Timely respond to motions for relief from stay, if necessary.

14. Prepare, file, and serve all appropriate motions to avoid liens, if not included in the plan.

15. Provide any other legal services necessary for the administration of this case before the Bankruptcy Court.

ALLOWANCE AND PAYMENT OF ATTORNEYS' FEES

Any attorney retained to represent debtor(s) in a Chapter 13 case is responsible for representing debtor(s) on all matters arising in the case, unless otherwise ordered by the court. For such services, as set forth above, the attorney will be paid a fixed fee of
$ _____ (exclusive of court filing fees).

In extraordinary circumstances, the attorney may apply to the court for additional compensation. Any such application must be accompanied by an itemization of the services rendered, showing the date, the time expended, the identity of the attorney or other person performing the services from the beginning of the case, the rate(s) charged, and the total amount sought. Debtor(s) must be served with a copy of the application and be advised of the right to object to such application. Debtor(s) are hereby informed that, in the event of such a request, fees shall be calculated or claimed at the following rate(s):
_____.

The attorney may receive some portion of the described fixed fee before the filing of the case. The attorney may not receive payment on the fee directly from the debtor after the filing of the case, but must receive any remaining portion of such fee through the plan. In addition to other disclosures required by the Rules, the attorney shall disclose, in any application for additional fees, any and all fees previously paid by debtor(s).

If debtor(s) dispute the sufficiency, quality, or cost of the legal services provided or the amount of the fees charged by the attorney, including this fixed fee, debtor(s) may file an objection with the court and request a hearing.

If the attorney believes that debtor(s) are not complying with debtor(s)' responsibilities under this agreement or is otherwise not engaging in proper conduct, the attorney may apply for an order allowing the attorney to withdraw from the case as outlined by Local Bankruptcy Rule.

Debtor(s) may discharge the attorney at any time.

/s/_____ Date:_____

Debtor

/s/_____ Date:_____

Joint Debtor (if applicable)

/s/_____ Date:_____

Attorney for Debtor(s)