CHAPTER 7 PANEL TRUSTEE MINIMUM QUALIFICATIONS

A chapter 7 panel trustee is a fiduciary for the bankruptcy estate and an officer of the court. A trustee is charged with administering assets for the benefit of creditors. A trustee may be required to travel to the site of the debtor's assets and secure those assets on an emergency basis. A trustee is also required to comply with requirements of the Bankruptcy Code, and those imposed by the Bankruptcy Administrator and the Judicial Conference of the United States.

The successful applicant must meet the following requirements:

- have integrity and possess good moral character;
- be physically and mentally able to satisfactorily perform a trustee's duties;
- have no demonstrated bias against any individual, entity, or group of individuals or entities that would interfere with unbiased performance of a trustee's duties;
- receive no financial benefit either directly or indirectly from debt counseling, credit counseling, financial management, debtor education, or prorating, with the following applicable definitions:

  (A) "debt counseling" is a business engaged primarily in advising persons how to manage their debt, except as the counseling is provided in the ordinary course of an attorney-client relationship;

  (B) "credit counseling," "financial management," and "debtor education" as defined in 11 U.S.C. § 111; and

  (C) "prorating" is a business engaged in receiving money from an individual to make regular distributions to an individual's creditors.
- have no relation, by affinity or consanguinity within the degree of first cousin, to the bankruptcy administrator for the Eastern District of North Carolina, an employee of the bankruptcy administrator, or a federal judge of the court; a chapter 7, 12, or 13 trustee serving in the district although nothing precludes a chapter 7 panel trustee from serving as a chapter 11 or chapter 12 trustee
- not be in business with a chapter 7 panel trustee or a chapter 12 or 13 trustee serving in the district;
- not be employed by the federal government or by state or local agencies that appear regularly before the bankruptcy court;
- reside or maintain an office in the judicial district or in an adjacent judicial district (for the trustee panel);
- have the resources to provide timely and accurate reports required by the court, the bankruptcy administrator, and the AO; and
- be willing to accept appointments to asset and no asset cases;

The successful applicant must have one or more of the following educational, professional, or business qualifications:

- a college degree from an accredited school with a major in a business-related field of study,
- be an attorney in good standing with each bar of which the applicant is a member,
- be a certified public accountant, or
- have at least three years of relevant fiduciary work experience using skills required of a trustee.

The applicant must be a "disinterested person," as defined by 11 U.S.C. §§ 101(14) and 701. Examples of professional relationships that would often disqualify the applicant are:

(A) an applicant who is on retainer as counsel to a creditor or creditors who appear regularly before the bankruptcy court, or

(B) an applicant who is an executive officer of an organization composed principally of creditors who litigate regularly in bankruptcy court.

Applicants must undergo a successful background investigation. The bankruptcy administrator may reject any applicant whose file remains incomplete beyond 60 days. The court has no role in selecting the trustee panel.