

# WALLACE LAW OFFICE

801 E Second Ave., Suite 101, Spokane, WA 99202 (509) 326-3600

Attorneys:  
Anastasia L. Karson  
Elizabeth C. Wallace

Dear Client:

I have enclosed the information you will need for your free initial conference regarding creditors and bankruptcy. Please call the number above to set up a conference at a convenient time. At the conference, I will answer your questions and advise you regarding dealing with your creditors and whether you should file a bankruptcy. In order for my answers and advice to be correct, you will need to fill out the enclosed personal information form. This form is only one page long. If you have any interest in a home or other real estate, you should fill out the form on the back of the personal information form. In addition to the personal information form, you will need to bring the following to our conference:

1. The **most recent pay stubs** from **all employers** for whom you have worked this year **showing year-to-date income**;
2. Your **most recent income tax return with the W-2 forms**;
3. If you operate a **business**, you should bring in a statement showing income generated by the business in the past 6 months and a list of monthly business expenses in the past 6 months.
4. If you have been involved in any **lawsuits, divorces, or garnishments** in the past year, you should bring the most recent court papers you received from each case.
5. If you are involved in a **foreclosure**, bring a copy of the notices you have received.

I also enclose the following; (1) a two sided page describing the services I provide, the attorney fees, and the importance of bringing you income information to the initial conference; and (2) two pages containing notices required by the new bankruptcy law. These notices are poorly drafted and confusing, so do not be concerned if there is anything you do not understand in them. Everything in these notices will be covered and explained at your free initial consultation.

Sincerely,

Anastasia L. Karson  
Elizabeth C. Wallace  
Enc.

## PERSONAL INFORMATION FORM

	<u>Unmarried Person or Husband</u>	<u>Wife</u>
Full Name	_____	_____
Social Security:	____-____-____	____-____-____
Other names used past 8 yrs:	_____	_____
Home Phone:	(    ) _____	(    ) _____
Work Phone:	(    ) _____	(    ) _____
Mailing Address	_____	_____
	_____	_____
City, State & Zip	_____	_____
Street Address	_____	_____
	_____	_____
City, State & Zip	_____	_____
Occupation	_____	_____
Current Employer	_____	_____
How long have you worked there?	_____	_____

### OTHER ADDRESSES IN 2004-2007

Address	City	State	Name Used	From	To
_____	_____	_____	_____	January, 2004	_____, 200__
_____	_____	_____	_____	_____, 200__	_____, 200__
_____	_____	_____	_____	_____, 200__	_____, 200__

### CHILDREN & OTHER PERSONS **LIVING IN YOUR HOUSEHOLD** (Do not include yourself)

Name	Age	Relationship	Is This Person:		
			Elderly	Chronically Ill	Disabled
_____	_____	_____	[ ]	[ ]	[ ]
_____	_____	_____	[ ]	[ ]	[ ]
_____	_____	_____	[ ]	[ ]	[ ]

### CHILDREN & OTHER IMMEDIATE FAMILY MEMBERS **LIVING ELSEWHERE** YOU HELP TO SUPPORT

Name	Age	Relationship	Amount You Pay	Is This Person:		
				Elderly	Chronically Ill	Disabled
_____	_____	_____	\$ _____	[ ]	[ ]	[ ]
_____	_____	_____	\$ _____	[ ]	[ ]	[ ]

**REAL ESTATE:** If you own any interest in a home or other real estate fill out the next page

REAL ESTATE, RESIDENCES, AND MOBILE HOMES

I/We own no interest in any real estate, residence or mobile home, and I/we have no leases or options to purchase any real estate or residence.

I/We own an interest in the following residence or real estate:

1.

**First Property:** Address: \_\_\_\_\_

This is  Community Property or  Separate Property of \_\_\_\_\_

Value of this Property (what is could be sold for): \$ \_\_\_\_\_

This value is based on  an appraisal in 200\_\_  Comparable sales  Other \_\_\_\_\_

First Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

Second Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

2.

**Second Property:** Address: \_\_\_\_\_

This is  Community Property or  Separate Property of \_\_\_\_\_

Value of this Property (what is could be sold for): \$ \_\_\_\_\_

This value is based on  an appraisal in 200\_\_  Comparable sales  Other \_\_\_\_\_

First Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

Second Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

3.

**Third Property:** Address: \_\_\_\_\_

This is  Community Property or  Separate Property of \_\_\_\_\_

Value of this Property (what is could be sold for): \$ \_\_\_\_\_

This value is based on  an appraisal in 200\_\_  Comparable sales  Other \_\_\_\_\_

First Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

Second Mortgage Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Amount Owed: \$ \_\_\_\_\_ Year Loan Taken Out or Last Refinanced: \_\_\_\_\_

Cosigner, If Any: \_\_\_\_\_ Last 4 digits of Account Number, If Any: \_\_\_\_\_

# YOUR MONTHLY INCOME

**W-2 FORMS AND PAYCHECK STUBS : You should bring your W-2 form for last year and a current representative paycheck stub to your conference with the attorney.**

The law requires that all the figures be **MONTHLY** averages. If you are not sure, you should put down your best estimate. If you are not paid monthly, convert each pay stub amount to a monthly amount as follows:

- If you are paid WEEKLY, multiply ALL amounts on your pay stub by 4.35
- If you are paid EVERY TWO WEEKS multiply ALL amount on your stub by 2.17
- If you are paid SEMI-MONTHLY, multiply ALL amounts on your pay stub by 2

## 1. MONTHLY EMPLOYMENT INCOME & DEDUCTIONS

	HIS INCOME	HER INCOME	TOTAL
Monthly gross wages, salary, and commissions .....	\$ _____	\$ _____	
Monthly 2nd job/overtime income expected, if not included above..	\$ _____	\$ _____	
Payroll tax and social security (FICA) deducted monthly.. .....	\$ _____	\$ _____	
Insurance deducted monthly .....	\$ _____	\$ _____	
Union dues deducted monthly .....	\$ _____	\$ _____	
Voluntary Retirement/401(k) contribution deducted monthly .....	\$ _____	\$ _____	
Required Retirement/401(k) contribution deducted monthly .....	\$ _____	\$ _____	
Retirement loan payment deducted monthly .....	\$ _____	\$ _____	
Other (describe) _____	\$ _____	\$ _____	
Other (describe) _____	\$ _____	\$ _____	
Net Employment Income: .....	\$ _____	\$ _____	\$ _____

## 2. MONTHLY BUSINESS/PROFESSION/FARM INCOME & EXPENSES

Monthly gross income from business or profession or farm.....	\$ _____	\$ _____	
Monthly business expenses (describe) _____	\$ _____	\$ _____	
Net Business/Profession/Farm Income: .....	\$ _____	\$ _____	\$ _____

**Bring a copy of your most recent Profit & Loss Statement to your conference**

## 3. OTHER MONTHLY INCOME

<u>Rent</u> or other income from real estate received monthly .....	\$ _____	\$ _____	
<u>Child Support</u> or <u>Alimony</u> received monthly .....	\$ _____	\$ _____	
<u>Social Security</u> or other <u>government</u> payments .....	\$ _____	\$ _____	
<u>Pension</u> or <u>Retirement</u> payments received monthly .....	\$ _____	\$ _____	
<u>Unemployment</u> compensation received monthly .....	\$ _____	\$ _____	
Total earnings or other income of Children or other Dependents.....	\$ _____	\$ _____	
Other (describe) _____	\$ _____	\$ _____	\$ _____

4. EXPECTED CHANGES IN INCOME IN THE NEXT YEAR: \_\_\_\_\_

TOTAL NET MONTHLY INCOME FROM PREVIOUS PAGE: \$ \_\_\_\_\_

**MONTHLY BUDGET EXPENSES**

If you are married and living together, combine your expenses into a single column - do not put half in each column.

MY/OUR HOME (Principal place of residence)	ONE HOME	2ND HOME (If Separated)
RENT OR FIRST MORTGAGE (include mobile home lot rent).....	\$ _____	\$ _____
Are real estate taxes included in the payment? __Yes __No		
Is property insurance included in the payment? __Yes __No		
SECOND MORTGAGE .....	\$ _____	\$ _____
THIRD MORTGAGE .....	\$ _____	\$ _____
FOURTH MORTGAGE .....	\$ _____	\$ _____
MONTHLY UTILITIES:		
Electricity and heating fuel .....	\$ _____	\$ _____
Water and sewer.....	\$ _____	\$ _____
Telephone (include cell phones).....	\$ _____	\$ _____
Cable .....	\$ _____	\$ _____
Other (specify) _____	\$ _____	\$ _____
HOME MAINTENANCE AND REPAIR (MONTHLY AVERAGE)	\$ _____	\$ _____

**OTHER REAL ESTATE OR MOBILE HOME I/WE OWN**

FIRST MORTGAGE (include mobile home lot rent).....	\$ _____	\$ _____
Are real estate taxes included in the payment? __Yes __No		
Is property insurance included in the payment? __Yes __No		
SECOND MORTGAGE .....	\$ _____	\$ _____

**PERSONAL EXPENSES, INSURANCE, AND OTHER TAXES**

FOOD .....	\$ _____	\$ _____
CLOTHING/APPAREL .....	\$ _____	\$ _____
LAUNDRY & DRY CLEANING .....	\$ _____	\$ _____
MEDICAL & DENTAL EXPENSES EXPECTED MONTHLY .....	\$ _____	\$ _____
TRANSPORTATION (include gas & repairs but not car payments) .....	\$ _____	\$ _____
RECREATION (clubs, entertainment, newspapers, magazines, etc.) .....	\$ _____	\$ _____
CHARITABLE CONTRIBUTIONS (your regular monthly gift) .....	\$ _____	\$ _____
INSURANCE (not deducted from wages or included in mortgage)		
Homeowners or renters .....	\$ _____	\$ _____
Life .....	\$ _____	\$ _____
Health .....	\$ _____	\$ _____
Auto .....	\$ _____	\$ _____
Other (specify) _____	\$ _____	\$ _____
TAXES not deducted from wages or included in home mortgage payment -		
Include back tax payments here - type of tax: _____	\$ _____	\$ _____

**CREDITORS WITH COLLATERAL (INCLUDE CAR & TRUCK PAYMENTS)**

Creditor: _____ Collateral: _____	\$ _____	\$ _____
Creditor: _____ Collateral: _____	\$ _____	\$ _____
Creditor: _____ Collateral: _____	\$ _____	\$ _____
Creditor: _____ Collateral: _____	\$ _____	\$ _____

**OTHER MONTHLY EXPENSES**

ALIMONY, MAINTENANCE, & CHILD SUPPORT PAID TO OTHERS	\$ _____	\$ _____
PAYMENTS FOR SUPPORT OF ADDITIONAL		
DEPENDENTS NOT LIVING IN MY/OUR HOME .....	\$ _____	\$ _____
DAY CARE PAID MONTHLY.....	\$ _____	\$ _____
STUDENT LOAN PAYMENTS (include payments to start within a year)	\$ _____	\$ _____
TRAFFIC TICKETS, FINES AND RESTITUTION.....	\$ _____	\$ _____
HOUSEKEEPING SUPPLIES .....	\$ _____	\$ _____
PERSONAL CARE .....	\$ _____	\$ _____
OTHER: _____	\$ _____	\$ _____
_____	\$ _____	\$ _____

TOTAL OF ALL MONTHLY EXPENSES: \$ \_\_\_\_\_

**INCOME TAXES YOU OWE THE IRS**

- 1. Amounts owed to IRS for calendar year 2002 and before: \$ \_\_\_\_\_ Which Years? \_\_\_\_\_  
This is  Personal Income Tax  Payroll Taxes Other Persons Liable, If any: \_\_\_\_\_
- 2. Amounts owed to IRS for past 3 years: \$ \_\_\_\_\_ for 2003; \$ \_\_\_\_\_ for 2004; \$ \_\_\_\_\_ for 2005  
This is  Personal Income Tax  Payroll Taxes Other Persons Liable, If any: \_\_\_\_\_

**STATE TAXES YOU OWE**

- 1. State: \_\_\_\_\_ Amounts owed for calendar year 2002 and before: \$ \_\_\_\_\_ Which Years? \_\_\_\_\_  
Amounts owed for calendar years 2003 to present: \$ \_\_\_\_\_ Which Years? \_\_\_\_\_  
Type of Tax:  Dept. Revenue (sales/B&O)  Labor & Indust.  Employment Sec  Other: \_\_\_\_\_
- 2. State: \_\_\_\_\_ Amounts owed for calendar year 2002 and before: \$ \_\_\_\_\_ Which Years? \_\_\_\_\_  
Amounts owed for calendar years 2003 to present: \$ \_\_\_\_\_ Which Years? \_\_\_\_\_  
Type of Tax:  Dept. Revenue (sales/B&O)  Labor & Indust.  Employment Sec  Other: \_\_\_\_\_

**STUDENT LOANS**

AMOUNT OWED | DATES OF LOANS | COSIGNERS

Dept of Education/Direct Loans.. \$ \_\_\_\_\_  
 Sallie Mae ..... \$ \_\_\_\_\_  
 NW Educ. Financial Asst. .... \$ \_\_\_\_\_  
 Other: \_\_\_\_\_ \$ \_\_\_\_\_  
 Address of other lender: \_\_\_\_\_  
 Other: \_\_\_\_\_ \$ \_\_\_\_\_  
 Address of other lender: \_\_\_\_\_

**TICKETS, FINES, RESTITUTION**

AMOUNT OWED YEAR TICKET , FINE, OR RESTITUTION |

\_\_\_\_\_ County Superior Court .. \$ \_\_\_\_\_  
 \_\_\_\_\_ County District Court .. \$ \_\_\_\_\_  
 \_\_\_\_\_ County Municipal Court .. \$ \_\_\_\_\_  
 Department of Corrections .....\$ \_\_\_\_\_  
 Other: \_\_\_\_\_ \$ \_\_\_\_\_

**CHILD SUPPORT**

AMOUNT

Other Parent's Name: \_\_\_\_\_ Address: \_\_\_\_\_ \$ \_\_\_\_\_  
 Other Parent's Name: \_\_\_\_\_ Address: \_\_\_\_\_ \$ \_\_\_\_\_

**ALIMONY**

AMOUNT

Recipient's Name: \_\_\_\_\_ Address: \_\_\_\_\_ \$ \_\_\_\_\_

**RETIREMENT LOANS**

AMOUNT DATE PAYMENT ADDRESS

Plan Name: \_\_\_\_\_ \$ \_\_\_\_\_  
 Plan Name: \_\_\_\_\_ \$ \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_,200\_\_

# WALLACE LAW OFFICE



A BANKRUPTCY LEGAL SERVICE PROVIDED BY:

***ANASTASIA L. KARSON and ELIZABETH C. WALLACE***  
ATTORNEYS AT LAW

801 E. Second Ave, Suite 101  
Spokane, WA 99202  
(509) 326-3600

**NEW BANKRUPTCY LAW:** The new bankruptcy law is full of traps that can result in dismissal of your case or penalties against you. See the next page for examples. Only a skilled bankruptcy lawyer can assure that you do not fall into any of these traps. Wallace Law Office of Spokane is operated by Anastasia L. Karson, and Elizabeth C. Wallace, attorneys who focus on bankruptcy and divorce law.

**ATTORNEYS:** Every client has a personal conference with an attorney to get his or her questions answered. There is no charge for your initial conference with the attorney. Beware of people calling themselves "bankruptcy petition preparers" or "paralegals" who want to charge you money to type up your court papers. These people are not lawyers, and they cannot answer your legal questions or go to court for you. They will tell you that you do not need a lawyer. Unfortunately, by the time you realize you *do* need a lawyer, it is too late. These non-lawyers cannot advise you regarding the new bankruptcy law.

**LOW FEES:** You have the benefit of having a lawyer handle your bankruptcy at a fraction of what you would normally pay.

**COURT APPEARANCES:** You do not have to go to court alone! An attorney from our office will attend your meeting of creditors with you at no additional charge if it is held in Spokane.

**KEEPING YOUR PROPERTY:** The bankruptcy law allows you to keep a sufficient amount of specific types of property to give you a "fresh start" in life. As your attorneys, we will explain how you can keep the maximum amount of your property allowed by the law.

**REAFFIRMATION AGREEMENTS:** The Bankruptcy Code requires that all debts that are secured by collateral (this is usually a car loan, a credit agreement to pay for tires, home appliances, etc.) be listed on your Statement of Intention. On your Statement, you must indicate whether you wish to **reaffirm, redeem, or surrender** the property securing the debt. If you redeem the property, you pay the full value of the collateral (NOT the amount owing the creditor if it is more than the value of the collateral) to the creditor in one lump sum. If you surrender the collateral, you will have to produce the collateral and return it to the creditor; however, you will no longer be personally liable for the debt secured by that collateral. If you reaffirm the debt, you will still owe the FULL AMOUNT you reaffirm even after the bankruptcy is discharged, and you will have to continue to make the monthly payments you schedule in the reaffirmation agreement.

If you are reaffirming the debt, an agreement will be sent to our office by your creditor. If you are represented by an attorney in your bankruptcy, you *must* have an attorney certify your ability or inability to make payments on the agreement. The attorney will review the agreement, certify your intentions and your ability to pay, and prepare it for submission to the court. The court must approve all reaffirmation agreements.

The fee for the preparation and review of the document(s) is **\$100.00**. This must be paid in cash or money order, and is due before the attorney will prepare the agreement.

**STOPPING HARASSMENT:** Stop those nasty telephone calls! As soon as you have met with the attorney and paid our fee, you can refer your creditors to us.

**FOR YOUR FREE INITIAL BANKRUPTCY CONSULTATION CALL:** (509) 326-3600

## ATTORNEY FEE

Your initial conference with the attorney is **free** *as long as you have filled out this questionnaire*. If you decide to file, the following are the fees.

**Chapter 7 (fresh start):** The attorney fee for a Chapter 7 is \$300. Once you have paid the attorney fee, you can begin referring your creditors to us and we will begin reparation of your case. Most clients want to stop the nasty phone calls right away, so they bring the attorney fee to the conference. The attorney fee has to be paid in **cash** or a **money order**.

**Chapter 13 (wage earner):** The initial retainer for a Chapter 13 is \$450. There are more attorney fees in a Chapter 13, but the remainder can usually be paid through the plan after the case is filed.

**Pay Stubs, W-2 Forms, Income Tax Returns, and Business Income and Expense Statements:** In order to answer your questions and advise you regarding your rights, the attorney will have to do detailed calculations at the initial conference regarding your income. These calculations cannot be done without copies of your income information. Consequently, you must bring copies of: (1) the **most recent pay stubs** from **all employers** for whom you have worked this year **showing year-to-date income**, (2) all **W-2** forms for last year, and (3) your **most recent income tax return** to the conference. If you operate a **business**, you will need to bring in a statement showing income generated by the business in each of the past 6 months and a list of monthly business expenses. If you do not have copies of these at the conference, there will be additional fees for completing the calculations later.

## LAWSUITS, GARNISHMENTS, EVICTIONS & REPOSSESSIONS

In order for the attorney to properly protect you and your property, it will be necessary to review the court documents you have received regarding all lawsuits, garnishments, evictions, or repossessions. You will need to bring copies of these court papers to your initial conference.

## CREDITORS

The attorney will explain which obligations are terminated by the bankruptcy, and you will be given a form on which to list the information regarding your creditors.

## SOME OF THE REASONS TO RETAIN AN ATTORNEY

The left column below shows some (not all) of the documents you will be required to file or deliver as part of your bankruptcy. The right column shows the penalties for not complying.

11 USC § 521(a)(1): <b>You must file:</b> <ol style="list-style-type: none"><li>1. List of creditors</li><li>2. Schedule of assets &amp; liabilities</li><li>3. Schedule of current income and expenditures</li><li>4. Statement of Financial Affairs</li><li>5. Certification of receipt of 11 USC § 342(b) notice, if any</li><li>6. Copies of all pay stubs for past 60 days</li><li>7. Itemized means income test</li><li>8. Statement of expected income increases</li></ol>	<b>Dismissal:</b> Failure to file all these documents will result in dismissal of your case 45 days after it is filed unless you file a separate motion to get another 45 days.
11 USC § 521(i) 11 USC § 521(b) & (c): <b>You must file:</b> <ol style="list-style-type: none"><li>1. Certificate from credit counseling agency</li><li>2. Debt repayment plan if one was developed</li><li>3. Record of any Educational IRA</li></ol>	<b>Denial of Protection:</b> If you do not complete the credit briefing, you do not qualify for bankruptcy protection. 11 USC § 109(h)
11 USC § 521(e): <b>You must deliver</b> , at least 7 days before your meeting of creditors, a copy of your tax return for last year to the bankruptcy trustee and to any creditor who timely requests one.	<b>Dismissal:</b> You can substitute a transcript for the return, but your case will be dismissed if one or the other is not provided on time.

## REQUIRED NOTICES

**B 201** (04/09/06)

### **NOTICE TO INDIVIDUAL CONSUMER DEBTOR UNDER § 342(B) OF THE BANKRUPTCY CODE**

In accordance with § 342(b) of the Bankruptcy Code, this notice: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case. You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

#### **1. Services Available from Credit Counseling Agencies.**

**With limited exceptions, § 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis.** The briefing must be given within 180 days **before** the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies.

**In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge.** The clerk also has a list of approved financial management instructional courses.

#### **2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors.**

**Chapter 7: Liquidation (\$245 filing fee, \$39 administrative fee, \$15 trustee surcharge: Total Fee \$299)**

1. Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a “means test” designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

2. Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

3. The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge and, if it does, the purpose for which you file the bankruptcy petition will be defeated.

4. Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft or from a willful and malicious injury, the bankruptcy court may determine that the debt is not discharged.

**Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income**  
**(\$235 filing fee, \$39 administrative fee: Total fee \$274)**

1. Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in installments over a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code.

2. Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan before it can take effect.

3. After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers; certain debts for acts that caused death or personal injury; and certain long term secured obligations.

**Chapter 11: Reorganization (\$1,000 filing fee, \$39 administrative fee: Total fee \$1039)**

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

**Chapter 12: Family Farmer or Fisherman (\$200 filing fee, \$39 administrative fee: Total fee \$239)**

Chapter 12 is designed to permit family farmers and fisherman to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

**3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials**

A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

**WARNING:** Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

## 11 USC § 527(a) VERBATIM NOTICE TO ASSISTED PERSONS

(A) all information that the assisted person is required to provide with a petition and thereafter during a case under this title is required to be complete, accurate, and truthful;

(B) all assets and all liabilities are required to be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in section 506 must be stated in those documents where requested after reasonable inquiry to establish such value;

(C) current monthly income, the amounts specified in section 707(b)(2), and, in a case under chapter 13 of this title, disposable income (determined in accordance with section 707(b)(2)), are required to be stated after reasonable inquiry; and

(D) information that an assisted person provides during their case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the case under this title or other sanction, including a criminal sanction.

### 11 USC § 527(b) NOTICE IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER.

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. **THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST.** Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial to you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called Petition, Schedules and Statement of Financial Affairs, and in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. After your case has been filed, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a “trustee” and by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming a debt.

If you chose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

If you select a type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but **only attorneys - NOT bankruptcy petition preparers - can give you legal advice.**