



# FERGUSON, HAYES, HAWKINS & DEMAY, PLLC

Edwin H. Ferguson, Jr.    Ryan C. Hawkins  
Brian P. Hayes            James R. DeMay

Brian P. Hayes  
Attorney at Law  
hayes@fspa.net

---

## INSTRUCTION SHEET FOR FREE CONSULTATION

Thank you for your interest in our firm. When you visited the office, you received, in addition to this, a worksheet and a booklet of notices. We have made notes throughout the worksheet concerning the documents that will need to be provided so that we can schedule an appointment with the attorney. **WE MUST HAVE YOUR COMPLETED WORKSHEET AND ALL REQUESTED DOCUMENTS BEFORE WE CAN SCHEDULE THE APPOINTMENT.** We would suggest that you complete the worksheet and return the folder with the complete worksheet and requested documents as soon as possible.

Some pointers:

For things that don't apply, mark none or draw a line through it – This will insure us that you have reviewed every item thoroughly.

If at all possible please pull the NADA value for your vehicle and print that. We cannot complete a full consultation without this, and there are so many options that we find it difficult to get an accurate value in our office. There is no charge for this and it can be accomplished at [www.nada.com](http://www.nada.com).

We cant stress enough how important accurate pay information is. We MUST MUST MUST have every paystub for the preceding 6 months. We would suggest that you go back one month further just to be safe. If you have questions about what months to use, please call the office. Secondly, if you had income other than from employment, such as retirement income, unemployment, child support or business income we need this information as well. If for some reason there are gaps in your pay history, these need to be explained, otherwise, we assume you are just missing those particular stubs and we can't completely review your situation.

As you can imagine, we sift through mounds of paperwork for each file. Bringing in documents that are not requested, for example, monthly statements from your creditors, will only slow the process. Please provide only the documents requested. If you have additional documents that you want us to review, please advise so that we can process those appropriately.

If you have questions while completing the worksheet, do not hesitate to call the office or email those questions. [sdyer@fspa.net](mailto:sdyer@fspa.net) or 704-788-3211. The quickest way to get an appointment is to provide a complete worksheet and all the requested documents.

You are probably wondering what happens next. Once you drop off your completed worksheet and all requested documents, a paralegal in our office will review the documents and complete some internal calculations. Assuming your worksheet is complete, this should take no more than 5 days. The attorney will then review and you will be called to set an appointment.

# Ferguson, Hayes, Hawkins and DeMay, PLLC

45 Church Street

P.O. Box 444

Concord, North Carolina 28026-0444

Telephone: (704) 788-3211

## Debt Management Worksheet

### Chapter 13/Chapter 7

---

**Attorney Use Only:**

**District:** Western/Middle

**Chapter:** 13/7

**Atty Fee Quoted:** Standard/\_\_\_\_\_

**Appraisal:** Yes/No

**Addtl Notes:**

---

---

---

**We are a debt relief agency. We assist in filing personal debt management plans and where applicable bankruptcy petitions.**

Please note that our office will retain the worksheet upon completion of the free consultation. We hold all worksheets for a period of 3 months and then all information is shredded. If you desire a copy of your worksheet you should make one prior to your office conference. If you decide to file and it has been more than 3 months since your consultation, it will be necessary for you to complete a new worksheet.

# Basic Information

## Name and Address

Name: \_\_\_\_\_  
Last First Middle

Telephone #: Home \_\_\_\_\_ Work \_\_\_\_\_ Mobile \_\_\_\_\_

Have you used any other names in the past 8 years?  no  yes, If yes, list other names  
\_\_\_\_\_

Social Security No: \_ \_ - \_ - \_ - \_ - \_

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

If you have a different mailing address, please list:

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_

Have you lived at this address for at least 180 days ( 6 months)?  no  yes

Have you lived at this address for at least 730 days ( 2 years)?  no  yes

If you answered no to either of the questions above, please list your previous address:

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

## Name and Address of Spouse

Name: \_\_\_\_\_  
Last First Middle

Telephone #: Home \_\_\_\_\_ Work \_\_\_\_\_ Mobile \_\_\_\_\_

Have you used any other names in the past 8 years?  no  yes, If yes, list other names  
\_\_\_\_\_

Social Security No: \_ \_ - \_ - \_ - \_ - \_

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

If you have a different mail address, please list:

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_

Have you lived at this address for at least 180 days ( 6 months)?  no  yes

Have you lived at this address for at least 730 days ( 2 years)?  no  yes

If you answered no to either of the questions above, please list your previous address:

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_

**HAS A BANKRUPTCY CASE BEEN FILED BY YOU IN THE LAST 8 YEARS?**

no  yes

If yes, in which district of which state was the case filed? \_\_\_\_\_

Case Number: \_\_\_\_\_, Date Filed: \_\_\_\_\_

Status of Case: \_\_\_\_\_

**ARE YOU CURRENTLY INVOLVED IN ANY BANKRUPTCY CASE?**

no  yes

If yes, name of debtor: \_\_\_\_\_, Relationship to you: \_\_\_\_\_

Case Number: \_\_\_\_\_, Date Filed: \_\_\_\_\_ Judge: \_\_\_\_\_

In which district of which state was the case filed? \_\_\_\_\_

**Do you own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?**

no  yes (If yes, please attach a list and description of the property)

**If you rent your home, has your landlord filed a lawsuit against you or does a landlord hold a judgment against you?**

no or n/a  yes

If yes, please provide the name and address of the landlord

Name: \_\_\_\_\_

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

City: \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Are you behind on child support, post separation support or alimony obligations:**

no  yes, If so, how much? \_\_\_\_\_

Name of recipient: \_\_\_\_\_

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

**Have you filed all required tax returns?**

yes  no, If so, which years are due to be filed? \_\_\_\_\_

**Have you made purchases or taken cash advances totaling more than \$550 within the last 90 days?**

no  yes, If so, how much and to which creditor? \_\_\_\_\_

**Do you owe money to a bank at which you have a checking, savings or other deposit account?**

no  yes, If so, we would suggest that prior to filing bankruptcy you close any deposit accounts currently housed with banks to whom you owe money. Failure to do so, can result in the bank taking money from your account without your permission. You can open a new account, and not have this worry, so long as you do not owe money to the new bank! \_\_\_\_ (please initial)

# Real Property

List all real property that you own or are a joint owner of. This includes property that is paid for or that you still owe money on. Use H for husband, W for wife or J for joint ownership. Burial Plots and Time Shares are real property.

\*\* Provide a copy of the Deed (not deed of trust) and Mortgage Statement\*\*

| <b>Description of Property:</b><br><u>include # of bed rooms, # of bath rooms, type of siding, and amount of acreage of lot and address if not your residence</u>  | <b>Who owns this property</b><br><b>Debtor, Co-Debtor or joint</b> | <b>Who do you owe?</b><br><b>List name and Address of Lienholder</b><br><b>And information requested for each mortgage</b>  |
|--|--|---|
| <p><b>RESIDENCE DESCRIPTION:</b><br/>(circle one)<br/>Single Family<br/>Condo<br/>Duplex<br/>Manufactured or Mobile Home</p> <p><b>MARKET VALUE:</b><br/>(what do you think the property is worth?)<br/>_____</p> <p><b>TAX VALUE:</b><br/>(what does the tax assessor say the property is worth?)<br/>_____</p> |  | <p><b>1<sup>st</sup> Mortgage:</b><br/> <b>Name:</b> _____ <b>Balance:</b> _____<br/> <b>Address:</b> _____<br/>           _____<br/> <b>Account No:</b> _____<br/> <b>Date Incurred:</b> _____<br/> <b>Monthly Payment:</b> _____ <b>Amount of Arrears:</b> _____<br/> <b>Who is responsible for this debt?</b><br/> <b>Debtor, Co-debtor, or Joint</b> _____<br/>           Are taxes included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes<br/>           Is Insurance included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes</p> <p><b>2<sup>nd</sup> Mortgage:</b><br/> <b>Name:</b> _____ <b>Balance:</b> _____<br/> <b>Address:</b> _____<br/>           _____<br/> <b>Account No:</b> _____<br/> <b>Date Incurred:</b> _____<br/> <b>Monthly Payment:</b> _____ <b>Amount of Arrears:</b> _____<br/> <b>Who is responsible for this debt?</b><br/> <b>Debtor, Co-debtor, or Joint</b> _____<br/>           Are taxes included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes<br/>           Is Insurance included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes</p> |
| <p><b>OTHER REAL PROPERTY DESCRIPTION:</b><br/>(circle one)<br/>Single Family<br/>Condo<br/>Duplex<br/>Manufactured or Mobile Home<br/>Land</p> <p><b>MARKET VALUE:</b><br/>_____</p> <p><b>TAX VALUE:</b><br/>_____</p>   |  | <p><b>1<sup>st</sup> Mortgage:</b><br/> <b>Name:</b> _____ <b>Balance:</b> _____<br/> <b>Address:</b> _____<br/>           _____<br/> <b>Account No:</b> _____<br/> <b>Date Incurred:</b> _____<br/> <b>Monthly Payment:</b> _____ <b>Amount of Arrears:</b> _____<br/> <b>Who is responsible for this debt? H, W or J</b> _____<br/>           Are taxes included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes<br/>           Is Insurance included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes</p> <p><b>2<sup>nd</sup> Mortgage:</b><br/> <b>Name:</b> _____ <b>Balance:</b> _____<br/> <b>Address:</b> _____<br/>           _____<br/> <b>Account No:</b> _____<br/> <b>Date Incurred:</b> _____<br/> <b>Monthly Payment:</b> _____ <b>Amount of Arrears:</b> _____<br/> <b>Who is responsible for this debt? H, W or J</b> _____<br/>           Are taxes included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes<br/>           Is Insurance included in mortgage payment? <input type="checkbox"/> no <input type="checkbox"/> yes</p>   |

# Vehicles

LIST ALL AUTOMOBILES owned in individual or joint names and provide the requested information List any vehicles including cars, trucks, motorcycles, boats, trailers, aircraft etc.

\*\*Provide title or registration, printout from NADA website and sales contract\*\*

| YEAR/MAKE/<br>MODEL OF VEHICLE   | Who owns<br>this property<br>Debtor, Co-<br>Debtor or<br>joint | Who do you owe?<br>List name and Address of Lienholder<br>And information requested for each vehicle  |
|--|--|---|
| <p>Year _____<br/>Make _____<br/>Model _____</p> <p>MILEAGE: _____</p> <p>NADA VALUE: _____<br/><small>(<a href="http://www.nada.com">www.nada.com</a>) use 90% retail</small></p> |  | <p>Name: _____ Balance: _____<br/>Address: _____<br/>_____</p> <p>Account No: _____<br/>Monthly Payment: _____ Date Incurred: _____<br/>Who is responsible for this debt?<br/>Debtor, Co-debtor, or Joint _____</p> |
| <p>Year _____<br/>Make _____<br/>Model _____</p> <p>MILEAGE: _____</p> <p>NADA VALUE: _____<br/><small>(<a href="http://www.nada.com">www.nada.com</a>) use 90% retail</small></p> |  | <p>Name: _____ Balance: _____<br/>Address: _____<br/>_____</p> <p>Account No: _____<br/>Monthly Payment: _____ Date Incurred: _____<br/>Who is responsible for this debt?<br/>Debtor, Co-debtor, or Joint _____</p> |
| <p>Year _____<br/>Make _____<br/>Model _____</p> <p>MILEAGE: _____</p> <p>NADA VALUE: _____<br/><small>(<a href="http://www.nada.com">www.nada.com</a>) use 90% retail</small></p> |  | <p>Name: _____ Balance: _____<br/>Address: _____<br/>_____</p> <p>Account No: _____<br/>Monthly Payment: _____ Date Incurred: _____<br/>Who is responsible for this debt?<br/>Debtor, Co-debtor, or Joint _____</p> |
| <p>Year _____<br/>Make _____<br/>Model _____</p> <p>MILEAGE: _____</p> <p>NADA VALUE: _____<br/><small>(<a href="http://www.nada.com">www.nada.com</a>) use 90% retail</small></p> |  | <p>Name: _____ Balance: _____<br/>Address: _____<br/>_____</p> <p>Account No: _____<br/>Monthly Payment: _____ Date Incurred: _____<br/>Who is responsible for this debt?<br/>Debtor, Co-debtor, or Joint _____</p> |

## HOUSEHOLD GOODS

Market Value = what the property is currently worth typically **yard sale value**

Lien Holder = do you owe on this property? If so, who do you owe?

Amt. Lien = how much do you owe on this property?

You should not include the value of items that are part of the house i.e. built in range or heat pump

| Description of Property & Address             | Market Value | Lien Holder Name       | Amt. Lien |
|---|--------------|------------------------|-----------|
| Kitchen Appliances and Kitchenware            |              |                        |           |
| Stove   |              |                        |           |
| Refrigerator/Freezer                          |              |                        |           |
| Washer/Dryer                                  |              |                        |           |
| Living Room/Den Furniture                     |              |                        |           |
| Bed Room Furniture                            |              |                        |           |
| Dining Room Furniture                         |              |                        |           |
| Recreational Equipment                        |              |                        |           |
| Lawn Furniture                                |              |                        |           |
| Lawn Mower                                    |              |                        |           |
| Yard Tools                                    |              |                        |           |
| Paintings, Art, Books, and other collectables |              |                        |           |
| Television                                    |              |                        |           |
| Stereo/Musical Instruments                    |              |                        |           |
| Computer                                      |              |                        |           |
| VCR/DVD                                       |              |                        |           |
| Clothing & Personal Effects                   |              |                        |           |
| Jewelry                                       |              |                        |           |
| Firearms                                      |              |                        |           |
| OTHER   |              |                        |           |
| OTHER   |              |                        |           |
|   |              | <b>TOTAL NET VALUE</b> |           |

**If you owe money on any of the items on this page, please complete the section below. (For example, loans against or for the purchase of furniture, computers, lawn mowers, etc.)**

|   |  |           |         |  |
|---|--|-----------|---------|--|
| <b>Name and Address of Creditor:</b><br><br><b>Account No:</b> _____<br><b>Date Incurred:</b> _____ | Collateral:  | Who owes? | Balance | <b>OTHERS INVOLVED:</b><br><input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
|   | <b>Value of Collateral:</b><br><br><b>Monthly payment:</b> |           |         |  |
| <b>Name and Address of Creditor:</b><br><br><b>Account No:</b> _____<br><b>Date Incurred:</b> _____ | Collateral:  | Who owes? | Balance | <b>OTHERS INVOLVED:</b><br><input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
|   | <b>Value of Collateral:</b><br><br><b>Monthly payment:</b> |           |         |  |

# ALL OTHER PERSONAL PROPERTY

**\*\* Bring statements to show current values for life insurance, 401K, etc\*\***

| Type of Property   | Description   | Debtor, Co-debtor, or Joint | Value                          |
|--|---|-----------------------------|--------------------------------|
| Checking/Savings or other deposit accounts   | Name of Bank/Type of Acct   |                             |                                |
|  |   |                             |                                |
|  |   |                             |                                |
| Insurance Policies   | Name of Ins Co: _____<br>Term or Whole Life: _____<br>Policy #: _____<br>Policy Date: _____<br>Beneficiary: _____ |                             | Cash Value:<br>(of whole life) |
|  | Name of Ins Co: _____<br>Term or Whole Life: _____<br>Policy #: _____<br>Policy Date: _____<br>Beneficiary: _____ |                             |                                |
| Annuities  | Name of Ins Co: _____<br>Policy #: _____<br>Policy Date: _____<br>Beneficiary: _____                              |                             |                                |
| 401(k) plans, IRA's, pension or profit sharing plans, 403(b) plan, Education IRA's |   |                             |                                |
| Stock or interest in business or partnerships                                      |   |                             |                                |
| Alimony or child support to which you are entitled                                 |   |                             |                                |
| Tax refunds due, but not received  |   |                             |                                |
| Any interest in the estate of a decedent, life insurance policy or trust           |   |                             |                                |
| <b>OTHER PERSONAL PROPERTY OF ANY KIND NOT LISTED</b>                              |   |                             |                                |



# Debts

**\*\*Bring Credit Report\*\***

## ALL DEBTS MUST BE LISTED.

**THERE ARE NO EXCEPTIONS WHATSOEVER.**

**INCLUDE ANY TAXES TO GOVERNMENTAL ENTITIES. FAILURE TO LIST A DEBT MAY RESULT IN IT NOT BEING DISCHARGED and FORGIVEN.**

**UNSECURED DEBT DOES NOT HAVE PROPERTY PLEDGED AS COLLATERAL.** Typical examples would be credit cards, gas cards, medical bills, signature loans, etc.

- ❖ **Creditors' Name and Address:** Must include full and complete name of creditor along with full and complete mailing address with zip code. If a creditor is still communicating with you, use the address supplied by the creditor in at least two communications over the last 90 days. **Do not use the address to which you send payments. USE CORRESPONDENCE OR INQUIRY ADDRESS.** Keep all mailings from your creditors and advise of address changes.
- ❖ **Describe Debt:** What is debt for? Credit card, medical bill, signature loan – feel free to abbreviate
- ❖ **H, W or J:** Indicated who is liable for debt. Indicate Husband, Wife, or Joint if both are liable.
- ❖ **Balance owed:** What is owed? List the dollar amount.
- ❖ **Date Incurred:** Use the date the account was opened.
- ❖ **Account No:** It is helpful to have the full account number but only the last 4 digits are required.
- ❖ **Others Involved:** Is anyone else liable? Is there a collection agency contacting you? We need their names and addresses.
- ❖ **Interest Rate:** If you know the interest rate currently being charged on the debt, please provide it.

| Creditors Name and Address   | Describe Debt | Debtor, Co-debtor, or Joint | Balance  | Others Involved   |
|--|---------------|-----------------------------|----------|---|
| <b>EXAMPLE:</b><br><br>First Bank of Concord<br>P.O. Box 1234<br>Debtville, NC 01234 | Credit Card   | J                           | 3,587.96 | <input checked="" type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other<br><br>CollectDebt America<br>P.O. Box 9876<br>Debtville, NC 01234 |
| <b>Account No: 9999-7562-0000-7562</b>   |               | <b>Date Incurred: 1998</b>  |          |   |

**[www.annualcreditreport.com](http://www.annualcreditreport.com) or 877-322-8228**

## YOUR DEBTS – PRIORITY & OTHER ‘SPECIAL’ DEBTS

| Creditors Name and Address   | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|--|---------------|-----------------------------------|---------|---|
| <b><u>TAXES – Federal, State or County</u></b>   |               |                                   |         |   |
| Account No:  |               |                                   |         |   |
| Date Incurred:   |               |                                   |         |   |
| Creditors Name and Address   | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
| <b><u>Domestic Support Obligations:<br/>(Alimony/Child Support/Etc.)<br/>Recipient Name and Address:</u></b> |               |                                   |         | <b><u>Child Support Enforcement<br/>Agency Name and Address:</u></b>  |
| Account No:  |               | Date Incurred:                    |         |   |
| Creditors Name and Address   | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
| <b><u>Homeowners Association Name and<br/>Address:</u></b>   |               |                                   |         |   |
| Account No:  |               | Date Incurred:                    |         |   |
| Creditors Name and Address   | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
| <b><u>Student Loans</u></b>  |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| Account No:  |               | Date Incurred:                    |         |   |
| Creditors Name and Address   | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
| <b><u>Equitable Distribution Claims</u></b>  |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| Account No:  |               | Date Incurred:                    |         |   |

## YOUR DEBTS – UNSECURED DEBTS

| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|----------------------------|---------------|-----------------------------------|---------|---|
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |
| Creditors Name and Address | Describe Debt | Debtor,<br>Co-debtor,<br>or Joint | Balance | Others Involved   |
|                            |               |                                   |         | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>         |               | <b>Date Incurred:</b>             |         |   |

|                                   |                      |                                    |                |   |
|-----------------------------------|----------------------|------------------------------------|----------------|---|
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |

|                                   |                      |                                    |                |   |
|-----------------------------------|----------------------|------------------------------------|----------------|---|
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |

|                                   |                      |                                    |                |   |
|-----------------------------------|----------------------|------------------------------------|----------------|---|
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |
| <b>Creditors Name and Address</b> | <b>Describe Debt</b> | <b>Debtor, Co-debtor, or Joint</b> | <b>Balance</b> | <b>Others Involved</b>  |
|                                   |                      |                                    |                | <input type="checkbox"/> Collection Agency<br><input type="checkbox"/> Codebtor<br><input type="checkbox"/> Other |
| <b>Account No:</b>                |                      | <b>Date Incurred:</b>              |                |   |

## Unexpired Leases and Contracts

List below any leases or contracts that you are a party to. This could be cell phone, internet, satellite, residential real property, car leases or any other contracts.

| Nature and Description of Contract | Name and Address of Other Party | Date that contract expires | Do you wish to Keep this Contract? |
|------------------------------------|---------------------------------|----------------------------|------------------------------------|
|                                    | _____<br>_____<br>_____         |                            |                                    |
|                                    | _____<br>_____<br>_____         |                            |                                    |

## Co-debtors

List below anyone who has cosigned a loan for you or that you have cosigned a loan for.

| Codebtor Name and Address | Creditor's Name and Address |
|---------------------------|-----------------------------|
| _____<br>_____<br>_____   | _____<br>_____<br>_____     |
| _____<br>_____<br>_____   | _____<br>_____<br>_____     |
| _____<br>_____<br>_____   | _____<br>_____<br>_____     |
| _____<br>_____<br>_____   | _____<br>_____<br>_____     |

# CURRENT MONTHLY INCOME

**\*\* We MUST have 6 months paystubs or proof of income. Please explain in detail any gaps in income\*\***

|  |  |            |                     |
|--|--|------------|---------------------|
| <input type="checkbox"/> Married<br><input type="checkbox"/> Single<br><input type="checkbox"/> Divorced<br><input type="checkbox"/> Separated<br><input type="checkbox"/> Widowed | List all dependents of you and your spouse,(Living with you), their ages, and their relationships to you |            |                     |
|  | <b>Name</b>  | <b>Age</b> | <b>Relationship</b> |
|  |  |            |                     |

**Part A: Debtors Income:**  
 What is your occupation? \_\_\_\_\_  
 Name and Address of Employer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Part B: Joint Debtors Income:**  
 What is your occupation? \_\_\_\_\_  
 Name and Address of Employer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**How long have you been employed there?** \_\_\_\_\_ **How long have you been employed there?** \_\_\_\_\_

The column labeled "Spouse" must be completed in all cases filed by joint debtors and by a married debtor in a Chapter 13 case whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.

| INCOME: (estimate of average monthly income)                                    | DEBTOR | SPOUSE |
|---|--------|--------|
| Current monthly <b>gross</b> wages, salary, and commissions                     |        |        |
| Estimate monthly overtime   |        |        |
| <b>TOTAL GROSS INCOME</b> (Gross wages + overtime)                              |        |        |
| <b>DEDUCTIONS</b>   |        |        |
| A - Payroll taxes   |        |        |
| B - Retirement plan   |        |        |
| C - Retirement plan loans   |        |        |
| D - Insurance   |        |        |
| E - Child Support   |        |        |
| E - Other (specify)   |        |        |
| <b>TOTAL PAYROLL DEDUCTIONS</b>   |        |        |
| <b>NET MONTHLY (TAKE HOME PAY)</b> (Total Gross-Total Deductions)               |        |        |
| <b>OTHER INCOME:</b>  |        |        |
| Regular income from operation of business or profession                         |        |        |
| Income from real property   |        |        |
| Interest and dividends  |        |        |
| Alimony, maintenance or support payments  |        |        |
| Social Security or other government assistance (specify)                        |        |        |
| Pension or retirement income  |        |        |
| Other monthly income (specify)  |        |        |
| <b>TOTAL NET MONTHLY INCOME</b> (Net Monthly + Other Income)                    |        |        |
| <b>TOTAL COMBINED MONTHLY INCOME</b><br>(Total Net monthly for debtor + spouse) |        |        |

**\* Describe any expected change to your income within the next year**



## CURRENT MONTHLY EXPENSES

|   | <u>Monthly</u> |
|---|----------------|
| <b>Rent or home mortgage payment</b> (include lot rent for mobile home)           |                |
| Are Real Estate Taxes Included ? YES___ NO___                                     |                |
| Is property Insurance Included? YES___ NO___                                      |                |
| Real Estate Taxes if not escrowed   |                |
| Homeowners insurance if not escrowed  |                |
| Homeowners association or Condo dues  |                |
| Home maintenance, repair & upkeep expense   |                |
| <b>Utilities:</b>   |                |
| Electricity and heating fuel  |                |
| Water, sewer, garbage collection  |                |
| Telephone   |                |
| Cable/Satellite   |                |
| Internet  |                |
| Cell Phone  |                |
| Other: specify  |                |
| Food (include lunches) and housekeep supplies                                     |                |
| Childcare and children education costs  |                |
| Clothing, laundry and dry cleaning  |                |
| Personal care products and services   |                |
| Medical and dental expenses   |                |
| Transportation (not including car payments) includes gas, oil changes and repairs |                |
| Entertainment, clubs and recreation newspapers, magazines, etc.                   |                |
| Charitable Contributions:<br>Name of Organization: _____<br>Address: _____        |                |
| <b>Insurance</b> (not deducted from wages or included in home mortgage)           |                |
| Life  |                |
| Health  |                |
| Auto  |                |
| Other   |                |
| Taxes – not deducted from your mortgage or wages                                  |                |
| <b>Installment or lease payments</b>  |                |
| Car payments for vehicle 1  |                |
| Car payments for vehicle 2  |                |
| Furniture   |                |
| Other   |                |
| <b>Payments of alimony, maintenance and support that is NOT payroll deducted</b>  |                |
| <b>Education necessary to maintain employment</b>                                 |                |
| <b>Other</b>  |                |
| <b>TOTAL</b>  |                |

Do you expect and increase or decrease in your expenses with the year after you file this form?

**Please explain:** \_\_\_\_\_

## Statement of Financial Affairs

1. What has your GROSS income been for the preceding two years

We must have husband and wife separately. Use the numbers from W2 forms and last paystubs.

**\*\*Bring most recent tax return\*\***

| Year              | Source (Who did you work for? List all) | Amount   |
|-------------------|---|----------|
| 2018 year to date | Husband -<br>Wife -                     | H-<br>W- |
| 2017              | Husband -<br>Wife -                     | H-<br>W- |
| 2016              | Husband -<br>Wife -                     | H-<br>W- |

2. Do you have income other than from employment? (e.g., social security, unemployment, child support, etc.) YES\_\_ NO\_\_

| Year              | Source              | Amount   |
|-------------------|---------------------|----------|
| 2018 year to date | Husband -<br>Wife - | H-<br>W- |
| 2017              | Husband -<br>Wife - | H-<br>W- |
| 2016              | Husband -<br>Wife - | H-<br>W- |

3. Have you paid any Creditors More Than \$600.00 Within The Last 90 Days

YES\_\_NO\_\_

Have you paid a "Insider"\* Within The Last Year

YES\_\_NO\_\_

(Insiders include: relatives, business partners and their relatives, your corporations or your affiliates)

(If yes to either, give details as indicated below)

| CREDITOR'S NAME AND ADDRESS | DATE OF PAYMENTS | AMOUNT PAID | Indicate if this debt relates to a business that you own |
|-----------------------------|------------------|-------------|--|
|                             |                  |             |  |
|                             |                  |             |  |
|                             |                  |             |  |
|                             |                  |             |  |

4. Have you been sued within the last 12 months or are there any judgments on record against you? YES \_\_\_ NO \_\_\_

| Caption of Suit<br>Case Number | Nature of Proceeding | Court or Agency and<br>Location | Status or<br>Disposition |
|--------------------------------|----------------------|---------------------------------|--------------------------|
|                                |                      |                                 |                          |
|                                |                      |                                 |                          |

5. Has any of your property been garnished, seized, or attached within the last year? YES \_\_\_ NO \_\_\_

| Creditor | Date of Seizure or Garnishment | Description of Property |
|----------|--------------------------------|-------------------------|
|          |                                |                         |

6. Has any of your property been repossessed, foreclosed upon or voluntarily returned? YES \_\_\_ NO \_\_\_

| Name and Address of Creditor | Date of Transfer | Description and Value of Property |
|------------------------------|------------------|-----------------------------------|
|                              |                  |                                   |
|                              |                  |                                   |

7. Have you assigned anyone within the past 6 months? YES \_\_\_ NO \_\_\_

If so, state name and address of assignee, and date of assignment

\_\_\_\_\_

8. Has any of your property been in the hand of a custodian or receiver during the last year? YES \_\_\_ NO \_\_\_

If so, state name and address of transferee, and date of transfer

\_\_\_\_\_

9. Have you given any gifts other than ordinary and usual gifts to family members within the past 2 years? YES \_\_\_ NO \_\_\_

If so, state name and address of recipient, and description, date and value of gift

\_\_\_\_\_

10. Within the last year have you had any losses as a result of fire, theft, gambling or other casualty? YES \_\_\_ NO \_\_\_

If so, state description, circumstances, value of property, and date of loss and amount covered by insurance

\_\_\_\_\_

11. Have you made any payments made for debt counseling or bankruptcy relief within the last year YES \_\_\_ NO \_\_\_

| Who did you pay?<br>Address | Date of Payments | Amount Paid |
|-----------------------------|------------------|-------------|
|                             |                  |             |

12. Has any of your property or assets been transferred to an individual during the past 2 year? YES \_\_\_ NO \_\_\_  
 If so, state name and address of recipient, and date of transfer and the description and value of property  
 \_\_\_\_\_

13. Have you transferred any property to a trust, or a similar entity ,of which you are a beneficiary within the past 10 years? YES \_\_\_ NO \_\_\_  
 If so, state name of trust, and date of transfer and amount of money or description of property or value  
 \_\_\_\_\_

14. Have you closed any financial accounts? YES \_\_\_ NO \_\_\_

| Bank | Acct Number and Acct Type | Final Balance, Date Closed |
|------|---------------------------|----------------------------|
|      |                           |                            |

15. Do you have a safe deposit box? YES \_\_\_ NO \_\_\_

| Bank | Who has access | What is in the box? |
|------|----------------|---------------------|
|      |                |                     |

16. Do you have a storage building? YES \_\_\_ NO \_\_\_

| Owner | Description and Value of Contents | Location |
|-------|-----------------------------------|----------|
|       |                                   |          |

17. Has your bank removed funds from any account to apply to loans owed to that bank (setoff)? YES \_\_\_ NO \_\_\_  
 If so, state name and address of creditor, date of setoff and amount.  
 \_\_\_\_\_

18. Do you have control of property for the benefit another person? YES \_\_\_ NO \_\_\_

| Owner | Description and Value | Location |
|-------|-----------------------|----------|
|       |                       |          |

19. Have you resided at any address other than your current address with in the last 3 years? YES\_\_\_NO\_\_\_

| Address | Name Used | Date of Occupancy |
|---------|-----------|-------------------|
|         |           |                   |
|         |           |                   |

20. Did you reside in a community property state, commonwealth or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington or Wisconsin) within the past 8 years? YES\_\_\_NO\_\_\_

If so state the name of your spouse or former spouse who resided you.

\_\_\_\_\_

21. Have you been charged with a violation of any Environmental Law? YES\_\_\_NO\_\_\_

If so, state the particulars\_\_\_\_\_

22 Within the past 6 years, have you operated as a sole proprietorship, or been a self-employed professional or the officer, director, partner, or managing executive of a corporation, or partnership. YES\_\_\_NO\_\_\_

Do you own 5% or more of the voting or equity securities in any corporation or partnership? YES\_\_\_NO\_\_\_

| Name | Tax ID # | Address | Nature of Business | Beginning and End Dates of operation |
|------|----------|---------|--------------------|--------------------------------------|
|      |          |         |                    |                                      |

## Documents to be Provided

|                         |   |  |
|-------------------------|---|--|
| BASIC INFORMATION       | Copy of Picture ID and Social Security Card<br>Any documents from a bankruptcy filed within 8 years   |  |
| REAL PROPERTY           | Deed (not the Deed of Trust)<br>Mortgage Statement  |  |
| VEHICLES                | Vehicle registration papers or titles<br>Vehicle contracts<br>Printout from <a href="http://www.nada.com">www.nada.com</a> for values   |  |
| OTHER PERSONAL PROPERTY | Statements Stock, Mutual Fund, 401k, or IRA<br>Statement for Cash value life insurance<br>Estate or Trust documents that you may be entitled to   |  |
| DEBTS                   | A recent credit report <a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a> or 877-322-8228   |  |
| INCOME                  | Paystubs or other proof of income for prior <b>6 months</b><br>This must include <b>EVERY</b> paystub or a printout from your employer. Be sure to include proof of any retirement payments, unemployment payments, or other income. You must account for any period with no paystub. This information is required before we can schedule a consultation. |  |
| FINANCIAL AFFAIRS       | Tax Returns for the <b>last year with W-2 Forms</b><br>Court orders setting child support or spousal support<br>Any Judgment or Lawsuits on Record Against You  |  |
| CREDIT COUNSELING       | Certification ID/Certificate from Consumer Credit Counseling<br>( <a href="http://www.abacuscc.org">www.abacuscc.org</a> ) SEE ATTACHED INSTRUCTIONS.   |  |
| INSURANCE INFO          | <b>REAL PROPERTY</b><br>Company: _____<br>Name of Agent: _____<br>Address: _____<br>_____<br>Phone No: _____<br>Policy No: _____  | <b>VEHICLES:</b><br>Company: _____<br>Name of Agent: _____<br>Address: _____<br>_____<br>Phone No: _____<br>Policy No: _____ |

**FERGUSON, HAYES, HAWKINS and DeMAY, PLLC  
ATTORNEYS AT LAW**

**45 Church Street  
Concord, North Carolina 28025**

**Telephone: (704) 788-3211**

**Website: [www.fspa.net](http://www.fspa.net)**

**BANKRUPTCY NOTICE  
AND  
INSTRUCTION MANUAL**

*Note: This Notice and the Standard are required by legislation adopted by Congress in 2005, after intense lobbying by the credit industry. In my opinion, they are designed to intimidate people who need debt relief under the Bankruptcy Code, and are based on the erroneous assumption that debtors are dishonest. So long as you are honest and meet the requirements set out under law, you are entitled to relief I can guide you through all the requirements of filing bankruptcy, so long as you provide us accurate and complete information.*

*We are a debt relief agency. We assist in filing bankruptcy petitions.*

## NOTICE NO.1

### **Notice Mandated By Section 342(b)(1) and 527(a)(1) Of The Bankruptcy Code**

#### **PURPOSES, BENEFITS AND COSTS OF BANKRUPTCY**

The United States Constitution provides a method whereby individuals, burdened by excessive debt, can obtain a “fresh start” and pursue productive lives unimpaired by past financial problems. It is an important alternative for persons strapped with more debt and stress than they can handle.

The federal bankruptcy laws were enacted to provide good, honest, hard-working debtors with a fresh start and to establish a ranking and equity among all the creditors clamoring for the debtor’s limited resources.

Bankruptcy helps people avoid the kind of permanent discouragement that can prevent them from ever re-establishing themselves as hard-working members of society.

To the extent that there may be money or property available for distribution to creditors, creditors are ranked to make sure that money or property is fairly distributed according to established rules as to which creditors get what.

This discussion is intended only as a brief overview of the types of bankruptcy filings and of what a bankruptcy filing can and cannot do. No one should base their decision as to whether or not to file bankruptcy solely on this information. Bankruptcy law is complex, and there are many considerations that must be taken into account in making the determination whether or not to file. Anyone considering bankruptcy is encouraged to make no decision about bankruptcy without seeking the advice and assistance of an experienced attorney who practices bankruptcy law.

#### Types of Bankruptcy

The Bankruptcy Code is divided into chapters. The chapters which almost always apply to consumer debtors are chapter 7, known as a “straight bankruptcy”, and chapter 13, which involves a plan of repayment.

An important feature applicable to all types of bankruptcy filings is the automatic stay. The automatic stay means that the mere request for bankruptcy protection automatically stops and brings to a grinding halt most lawsuits, repossessions, foreclosures, evictions, garnishments, attachments, utility shut-offs, and debt collection harassment. It offers debtors a breathing spell by giving the debtor and the trustee assigned to the case time to review the situation and develop an appropriate plan. In most circumstances, creditors cannot take any further action against the debtor or the property without permission from the bankruptcy court.

#### Chapter 7:

In a chapter 7 case, the bankruptcy court appoints a trustee to examine the debtor’s assets to determine if there are any assets not protected by available “exemptions”. Exemptions are laws that allow a debtor to keep, and not part with, certain types and amounts of money and property. For example, exemption laws allow a debtor to protect a certain amount of equity in the debtor’s residence, motor vehicle, household goods, life insurance, health aids, retirement plans, specified future earnings such as social security benefits, child support, and alimony, and certain other types of personal property. If there is any non-exempt property, it is the Trustee’s job to sell it and to distribute the proceeds among the unsecured creditors. Although a liquidation case can rarely help with secured debt (the secured creditor still has the right to repossess the collateral if the debtor falls behind in the monthly payments), the debtor will be discharged from the legal obligation to pay unsecured debts such as credit card debts, medical bills and utility arrearages. However, certain types of unsecured debt are allowed special treatment and cannot be discharged. These include some student loans, alimony, child support, criminal fines, and some taxes

In addition to attorney fees, there is a **filing fee in the amount of \$335.00 that must be paid to the Bankruptcy Court.**

#### Chapter 13

In a chapter 13 case, the debtor puts forward a plan, following the rules set forth in the bankruptcy laws, to repay certain creditors over a period of time, usually from future income. A chapter 13 case may be advantageous in that the debtor is allowed to get caught up on mortgages or car loans without the threat of foreclosure or repossession, and is allowed to keep both exempt and nonexempt property. The debtor’s plan is a document outlining to the bankruptcy court how the debtor proposes to dispose of the claims of the debtor’s creditors. The debtors property is protected from seizure from creditors, including mortgage and other lien holders, as long as the



proposed payments are made and necessary insurance coverages remain in place. The plan generally requires monthly payments to the bankruptcy trustee over a period of three to five years. Arrangements can be made to have these payments made automatically through payroll deductions.

In addition to attorney fees, there is a **filing fee in the amount of \$310.00 that must be paid to the Bankruptcy Court.**

### Chapter 11

By and large, chapter 11 is a type of bankruptcy reserved for large corporate reorganizations. Chapter 11 shares many of the qualities of a chapter 13, but tends to involve much more complexity on a much larger scale.

However, since chapter 11 does not usually pertain to individuals whose debts are primarily consumer debts, further information about chapter 11 will be provided by reference to the following resource: The “Bankruptcy Basics” brochure prepared by the Administrative Office of the United States Courts, dated June 2000, and which can be accessed over the internet by visiting the following website: [www.uscourts.gov/bankruptcycourts.html](http://www.uscourts.gov/bankruptcycourts.html).

### Chapter 12

Chapter 12 of the Bankruptcy Code was enacted by Congress in 1986, specifically to meet the needs of financially distressed family farmers. The primary purpose of this legislation was to give family farmers facing bankruptcy a chance to reorganize their debts and keep their farms. However, as with chapter 11, since chapter 12 does not usually pertain to individuals whose debts are primarily consumer debts, further information about chapter 12 will be provided by reference to the same “Bankruptcy Basics” brochure referred to above, which can be accessed over the internet at the same said website as mentioned for chapter 11.

### What Bankruptcy Can and Cannot Do

Bankruptcy may make it possible for financially distressed individuals to:

1. Discharge liability for most or all of their debts and get a fresh start. When the debt is discharged, the debtor has no further legal obligation to pay the debt.
2. Stop foreclosure actions on their home and allow them an opportunity to catch up on missed payments.
3. Prevent repossession of a car or other property, or force the creditor to return property even after it has been repossessed.
4. Stop wage garnishment and other debt collection harassment, and give the individual some breathing room.
5. Restore or prevent termination of certain types of utility service.
6. Lower the monthly payments and interest rates on debts, including secured debts such as car loans.
7. Allow debtors an opportunity to challenge the claims of certain creditors who have committed fraud or who are otherwise seeking to collect more than they are legally entitled to.

Bankruptcy, however cannot cure every financial problem. It is usually not possible to:

1. Eliminate certain rights of secured creditors. Although a debtor can force secured creditors to take payments over time in the bankruptcy process, a debtor generally cannot keep the collateral unless the debtor continues to pay the debt.
2. Discharge types of debts singled out by the federal bankruptcy statutes for special treatment, such as child support, alimony, student loans, certain court ordered payments, criminal fines, and some taxes.
3. Protect all cosigners on their debts, if relative or friend co-signed a loan which the debtor discharged in bankruptcy, the cosigner may still be obligated to repay whatever part of the loan not paid during the pendency of the bankruptcy case.
4. Discharge debts that are incurred after bankruptcy has been filed.

## Bankruptcy's Effect on Your Credit

By federal law, a bankruptcy can remain part of a debtor's credit history for 10 years. Whether or not the debtor will be granted credit in the future is unpredictable, and probably depends more on what good things the debtor does in the nature of keeping a job, saving money, making timely payments on secured debts, etc., than the fact that the debtor filed bankruptcy.

In some cases it may actually be easier to obtain future credit after bankruptcy, because new creditors may feel that since the old obligations have been discharged, they will be first in line. They also recognize that the debtor cannot again file bankruptcy for at least the next four years in the case of chapter 13 or eight years in the case of chapter 7. The truth is that if a debtor cannot pay his or her bills, and the debtor's credit is already ruined or exhausted, filing bankruptcy can actually be an important first step in re-building credit.

## Services Available From Credit Counseling Agencies

If you're not disciplined enough to create a workable budget and stick to it, can't work out a repayment plan with your creditors, can't keep track of mounting bills, or need more help with your debts than can be achieved by merely having a few of your unsecured creditors lower your interest rates somewhat, it makes NO sense to consider contacting a credit counseling organization.

If, on the other hand, you meet all of those criteria, there are many non-profit credit counseling organizations that will work with you to solve your financial problems.

But be aware that, just because an organization says it's "nonprofit," there's no guarantee that its services are free, affordable, or even legitimate. In fact, some credit counseling organizations charge high fees, which may be hidden, urge consumers to make "voluntary" contributions that can cause more debt, urge consumers to enter "debt repayment plans" they simply cannot afford.

Most credit counselors offer services through local offices, the internet, or on the telephone. If possible, it is probably best to find an organization that offers in-person counseling. Many universities, military bases, credit unions, housing authorities, and branches of the U.S. Cooperative Extension Service operate nonprofit credit counseling programs. Your financial institution, local consumer protection agency, and friends and family also may be good sources of information and referrals.

Reputable credit counseling organizations can advise you on managing your money and debts, help you develop a budget, and offer free educational materials and workshops. Their counselors are certified and trained in the areas of consumer credit, money and debt management, and budgeting. Legitimate counselors will discuss your entire financial situation with you, and help you develop a personalized plan to solve your money problems. An initial counseling session typically lasts an hour, with an offer of follow-up sessions.

If your financial problems stem from too much debt or your inability to repay your debts, a credit counseling agency may recommend that you enroll in what is known as a "debt management plan" or "DMP." A DMP alone is not credit counseling, and DMPs are not for everyone. You should sign up for one of these plans only after a certified credit counselor has spent time thoroughly reviewing your financial situation, has offered you customized advice on managing your money, and has analyzed your budget to make sure that the proposed DMP is one you can afford. However, remember that all organizations that promote DMPs fund themselves in part through kickbacks from the creditors involved, which are called 'fair share', so you have to be wary as to whose best interest the counselor has in mind. Even if a DMP is not appropriate for you, a reputable credit counseling organization still can help you create a budget and teach you money management skills.

In a DMP, you deposit money each month with the credit counseling organization, which uses your deposits to pay your unsecured debts, like your credit card bills and medical bills, according to a payment schedule the counselor develops with your creditors. Your creditors may agree to lower your interest rates or waive certain fees, but it's always best to check with all your creditors, just to make sure they offer the concessions that a credit counseling organization is promising you. A successful DMP requires you to make regular, timely payments, and could take 48 months or more to complete. Ask the credit counselor to estimate how long it will take for you to complete the plan. You may have to agree not to apply for — or use — any additional credit while you're participating in the plan, and a DMP is absolutely useless if your problems stem from or involve your secured creditors holding your car, truck or home as collateral. DMPs are also useless if your problems stem from alimony, child support or overdue taxes.

The bottom line is this: If all you need is a little lowering of your interest rates on some unsecured debts, a DMP might be the answer. However, if what you really need is to reduce the amount of your debt, bankruptcy may be the only solution.

**NOTICE NO. 2**

**Notice Mandated By Section 527(a)(2) Of The Bankruptcy Code**

**NOTICE OF MANDATORY DISCLOSURE  
TO CONSUMERS WHO CONTEMPLATE FILING BANKRUPTCY**

You are notified as follows:

1. All information that you are required to provide with the filing of your case and thereafter, while your case is pending, must be complete, accurate and truthful.
2. All your assets and all your liabilities must be completely and accurately disclosed in the documents filed to commence your case.
3. Some places in the bankruptcy code require you to determine and list the replacement value of an asset, as for instance a car, or furniture. When replacement value is required, it means the replacement value, established after reasonable inquiry, as of the date of the filing of your bankruptcy case, without deduction for costs of sale or marketing. With respect to property acquired for personal, family or household purposes, replacement value means the price a retail merchant would charge for "used" property of that kind considering the age and condition of the property.
4. Before your case can be filed, it is subject to what is called "Means Testing". The Means Test was designed to determine whether or not you qualify to file a case under chapter 7 of the Bankruptcy Code, and if not, how much you need to pay your unsecured creditors in a chapter 13 case. For purposes of means test, you must state, after reasonable inquiry, your total current monthly income, the amount of all expenses as specified and allowed pursuant to section 707(b)(2) of the bankruptcy code, and if the plan is to file you in a Chapter 13 case, you must state, again after reasonable inquiry, your disposable income, as that term is defined.
5. Information that you provide during your case may be audited pursuant to the provisions of the Bankruptcy Code. Your failure to provide complete, accurate and truthful information may result in the dismissal of your case or other sanctions, including criminal sanctions.

**NOTICE NO.3**

**Notice Mandated By Section 527(b) 01 The Bankruptcy Code**

**IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES**

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, either 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 for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as 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. Once your case starts, 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 your debts. It may not be in your best interest to reaffirm a debt.

If you choose to file a chapter 13 case in which you repay your creditors 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, if held, will be before a bankruptcy judge.

If you select another 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. However, please be advised that in most cases, you will only be concerned with chapter 7 and chapter 13.

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.

#### **NOTICE NO.4**

#### **Notice Mandated By Section 342(b)(2) Of The Bankruptcy Code**

#### **FRAUD & CONCEALMENT PROHIBITED**

If you decide to file bankruptcy, it is important that you understand the following:

1. Some or all of the information you provide in connection with your bankruptcy will be filed with the bankruptcy court on forms or documents that you will be required to sign and declare as true under penalty of perjury.
2. A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both.
3. All information you provide in connection with your bankruptcy case is subject to examination by the Attorney General.

#### **Instructions on Providing Information Required by Bankruptcy Law**

**You are required to provide certain information to the Court** when you file bankruptcy. It is my obligation to make a diligent inquiry of you so as to obtain information to include in your bankruptcy petition. Please read carefully and follow these instructions when completing the bankruptcy worksheet.

1. Read and fill out the forms **COMPLETELY, ACCURATELY, and NEATLY.**
2. Do Not leave Blanks
3. **List ALL PROPERTY**
  - a. including property that has no lien against it
4. **List ALL DEBTS, including**
  - a. debts that will not be discharged, such as student loans and child support and taxes
  - b. debts you intend to pay
  - c. debts that you cosigned for someone else or that someone else cosigned for you
  - d. You must list debts to family members
5. In determining the **amount you owe** to each creditor list the amount on your **most current statement** or correspondence from the creditor.
6. If a creditor is still communicating with you, use the address supplied by the creditor in at least two communications over the last 90 days. **Do not use the address to which you send payments. USE CORRESPONDENCE OR INQUIRY ADDRESS.** Keep all mailings from your creditors and advise of address changes.
- . Attach additional sheets if you do not have sufficient space to include all of the information.

**CREDIT COUNSELING REQUIREMENT – REQUIRED PRIOR TO FILING**

The new legislation requires debtors to be briefed by an approved budget and credit counseling education program. This can be done anytime within the **6 month period** before you file.

We suggest **Abacus Credit Counseling and Education**

**Abacus Credit Counseling and Education**

Provides this service online at [www.abacuscc.org](http://www.abacuscc.org)

Attorney Code: ACC36200

Fee is \$25 and will be paid to Ferguson, Hayes, Hawkins & DeMay PLLC along with filing fees

**Credit Report:**

[www.annualcreditreport.com](http://www.annualcreditreport.com) or 877-322-8228

## ADDITIONAL DOCUMENTS THAT MAY BE REQUIRED TO BE FILED

In addition to the information set out in our worksheet, you must file the following documents of Information with your petition, or when specified, while your case is pending:

1. All payment advices for past 2 months
2. Certification of Credit Counseling
3. Federal Income tax return for the most recent year
4. A document that establishes your identity

If the Court, the Trustee or any other party to your case requests it, you must file with the Court:

1. Each federal income tax return required while your case is pending
2. Federal income tax return for the 3 years preceding your filing that were filed while you under the Courts jurisdiction
3. Any amendment to any federal income tax return filed with the court

In a Chapter 13 case at certain intervals in your case, you must provide:

1. A statement, under penalty of perjury, of your income and expenditures during the previous tax year,
  - The statement must show how figures were calculated.
  - The statement must disclose the amount and services of your income, the identity of any person responsible with you for the support of your dependents, and the identity of any person who contributes to the household in which you reside.
2. A document that establishes your identity

## MOST FREQUENTLY ASKED QUESTIONS REGARDING CHAPTER 13

1. **WILL I BE PERMITTED CREDIT?** No more credit. The debtor will be under court protection from the moment the Chapter 13 plan is filed and the debtor as well as the debtor's income and property will be under the jurisdiction of the bankruptcy court. The debtor cannot borrow money or buy anything on time without court approval and that will be given only in extreme circumstances.
2. **WHAT ARE COSTS THAT WILL BE INCURRED?** The filing fee is presently **\$310.00**. A certain percentage of the total amount of money that you pay into the Chapter 13 plan will be going for costs of the plan and will not go to creditors. Additionally, Chapter 13 trustee will take an administrative cost that can be discussed with you during your interview.
3. **WHAT AMOUNT CAN WE ESTIMATE AS THE PROPOSED PLAN PAYMENT?** This cannot be answered until the attorney discusses with you. There are numerous factors, but whatever the amount proposed, the Chapter 13 trustee will consider the amount and adjust if necessary. The monthly payment amount is reviewed yearly to determine if should be raised or lowered.
4. **CAN I LIST AS A CREDITOR ANYONE I CHOOSE?** No!! Every creditor, no matter how small the debt, should be listed.
5. **WHAT ABOUT MY HOUSE PAYMENTS, MOBILE HOME PAYMENTS, AND AD VALOREM TAXES (PROPERTY TAXES)?** Any debts owed on real property, which would include your mobile home, must be maintained in a current status in Chapter 13. If you are in arrears, the arrearage must be paid back within the Chapter 13 plan with interest. If you are current on your payments, then you will probably be able to continue to pay direct. If you are not current, your real property payments will be paid into the Chapter 13 Trustee to be disbursed to your creditors.

6. **WHAT KIND OF TREATMENT CAN I EXPECT WITH EXPENSIVE ITEMS SUCH AS A CAR, JEWELRY, ETC.?** Generally, the Chapter 13 trustee will try to reduce the total amount owed by recommending the return of expensive luxury items. Cars are a real problem. If a car has too much owed on it or if it is too much of a luxury item, the Chapter 13 Trustee may suggest it be released. If it is a reasonably priced car or the debtor has substantial equity in *it*, you will generally be allowed to keep it and pay for it through the plan. Between these two extremes, consideration is given to the size of the debt, length of time the debtor has had the car, the amount of down payment, family needs, etc. One thing you can count on, if the car payments are high, the plan payments have to be high. Treatment of items such as stereos, campers, color television sets and the like, will again depend on the situation. If the plan will pay all creditors in full or if the debtors have had the items a long time, the Chapter 13 trustee will probably let you retain the items. If it is a recent purchase within the last 60 days, and is a luxury item, you could be called upon to pay for it in full with interest. If you have any such items, please be sure and notify the attorney.

7. **WHAT HAPPENS TO CO-SIGNED DEBTS WHEN ONLY ONE OF THE MAKERS OF THE DEBT FILE CHAPTER 13?** When you file Chapter 13 and a co-signer such as a parent or friend is on a debt, the automatic stay prevents creditors from taking action against the co-signer. The problem is that you have to pay the debt in full with interest as if you are not in bankruptcy or the creditor on a co-signed debt can pursue the co-signer for any balance that you do not pay to include principal and interest. Furthermore, the co-signers credit report will reflect that the “debt”, not the co-signer, has filed Chapter 13 bankruptcy which could create problems in the future for the co-signer. If you have such a situation, be sure and mention specifically to the attorney.

8. **WHAT HAPPENS IF PAYMENTS ARE NOT MADE?** In most cases, the Chapter 13 trustee will rework your payments, ie, increase them, to cover the arrearage created during the Chapter 13 plan. Obviously the most drastic measure is dismissal of the proceeding. “If you miss payments consistently without good reason, the trustee will throw you back to your creditors”.

9. **WHAT HAPPENS AFTER I FILE TILE CHAPTER 13 PLAN WITH ATTORNEY?** Approximately **4-6** weeks after you file, there will be a creditors meeting . All debtors are required to attend. If an emergency, communicate with the attorney. The attorney will be with you at the creditors meeting

### **What to Expect: A Chapter 13 Bankruptcy Chronology**

Declaring bankruptcy can be a complicated legal process, but if you have an attorney, it may be relatively quick. But be warned: if you hide assets, or have committed fraud, or are trying to use bankruptcy in a wrongful way, it can be full of unpleasant surprises and frustrating delays. Things happen in the same order in most bankruptcies, and you can at least get a general idea of what’s likely to happen. It will also help to know some of the words and phrases that come up in a bankruptcy.

The following chronology gives a general idea of how your bankruptcy filing proceeds.

- A bankruptcy case begins with a *Petition*, which includes your assets, debts and a proposed Chapter 13 Plan.
- The Petition will be under Chapter 13 of the Bankruptcy Code. Chapter 7 discharges your debts; Chapter 13 allows you to pay most of them off over time. (There are other Chapters: Chapter 11’ deals with business reorganization, and other Chapters deal with farms, railroads and municipalities.)
- When you file bankruptcy, federal law imposes an “*automatic stay*” which prevents your creditors from taking any action to collect debts against you, including court judgments and tax debts, during the pendency of the bankruptcy. For instance, if you have been sued with a lawsuit by one of your creditors to appear in court over a debt, the bankruptcy filing will stop this lawsuit.

- Immediately after you file, the Bankruptcy Court will send out a Notice of Filing and a Notice of Stay to your creditors. This Notice makes it illegal for your creditors to continue trying to collect from you, although they are free to contact your attorney. If you are contacted before the Notices go out, tell the creditor that you have filed and give them the Bankruptcy Court docket number.

You will make your first Chapter 13 payment 30 days from the date that you file

- Between four and six weeks after your filing, you will have to attend a “*Meeting of Creditors*” chaired by the Chapter 13 Trustee or their assistant.. Unless there is a “red flag” that alerts the Trustee that your case is unusual, this will be a brief meeting. Generally, the Trustee will ask you a few form questions and a few questions related to your business, and then will ask if there are any creditors present, with questions. Usually there will not be, although some credit card providers attend many or most Meetings of Creditors.

- You will receive a lengthy document entitled “Order Confirming the Plan”. It simply states all the particulars of your plan that have been agreed on through your interview and 341 creditors meeting. If the creditors have problems with your plan, they have a certain amount of time to object to confirmation of the plan or file an adversary procedure. An objection asks the court to look at a particular part of your Chapter 13 Plan and usually to make changes before it is entered. An adversary proceeding asks the Bankruptcy Court to refuse to discharge a certain debt for some particular reason. The most common reason is fraud, either giving rise to the debt (like if you got the money by stealing from your employer) or fraud in the bankruptcy (like lying about your assets). An *adversary proceeding* goes on like regular litigation, and it can take as long as regular litigation. Your discharge of these debts will be delayed until the adversary proceeding is resolved.

- Once you have paid off your creditors under a Chapter 13 plan, or once any adversary proceedings are resolved, you will receive a Notice of Discharge. You may have to fill in forms to get a judgment removed from a judgment roll, but other than bookkeeping matters you have been given a fresh start.

It’s hard to say how long all these steps will take in your case. The entire process can take from as little as three years to as long as five years. Bankruptcy is one of those rare areas where the process is faster in population centers. In Manhattan, you can receive a Chapter 7 discharge in about three months, whereas it takes about twice as long in rural Nevada. Chapter 13 plans are usually on a timeline of three or five years. Adversary proceedings are as uncertain as any other litigation, although most Bankruptcy Courts are fairly vigilant about moving them through the system quickly.

### **What to Expect: A Chapter 7 Bankruptcy Chronology**

Declaring bankruptcy can be a complicated legal process, but if you have an attorney, it may be relatively quick. But be warned: if you hide assets, or have committed fraud, or are trying to use bankruptcy in a wrongful way, it can be full of unpleasant surprises and frustrating delays. Things happen in the same order in most bankruptcies, and you can at least get a general idea of what’s likely to happen. It will also help to know some of the words and phrases that come up in a bankruptcy.

The following chronology gives a general idea of how a bankruptcy filing proceeds. Your action may be different because of differences between local court rules, state laws, and rules of civil procedure. Your attorney can help you understand exactly how your case will fit with this chronology-remember, your attorney works for you, and should clearly explain every step of the legal process.

- A bankruptcy case begins with a *Petition*. The Petition is a complex document, and includes characterization of debts. Typically, because the filing requirements are so stringent, a lawyer will prepare this document. In most cases, preparing and filing your Petition is the hardest part of the process.

- The Petition will be under Chapter 7 or Chapter 13 of the Bankruptcy Code. Chapter 7 discharges your debts; Chapter 13 allows you



to pay most of them off over time. (There are other Chapters: Chapter 11' deals with business reorganization, and other Chapters deal with farms, railroads and municipalities.)

- When you file bankruptcy, federal law imposes an “*automatic stay*” which prevents your creditors from taking any action to collect debts against you, including court judgments and tax debts, during the pendency of the bankruptcy. For instance, if you have been sued with a lawsuit by one of your creditors to appear in court over a debt, the bankruptcy filing will stop this lawsuit.

- Immediately after you file, the Bankruptcy Court will send out a Notice of Filing and a Notice of Stay to your creditors. This Notice makes it illegal for your creditors to continue trying to collect from you, although they are free to contact your attorney. If you are contacted before the Notices go out, tell the creditor that you have filed and give them the Bankruptcy Court docket number.

- Between four and six weeks after your filing, you will have to attend a “*Meeting of Creditors*” chaired by the Bankruptcy Trustee assigned to your case. Unless there is a “red flag” that alerts the Trustee that your case is unusual, this will be a brief meeting. Generally, the Trustee will ask you a few form questions and a few questions related to your business, and then will ask if there are any creditors present, with questions. Usually there will not be, although some credit card providers attend many or most Meetings of Creditors.

- If the Meeting of Creditors is uneventful, the process is probably over for you and your lawyer. In a Chapter 7 Petition, you will receive a Notice of Discharge in about six weeks.

- If the creditors have problems with your Petition, they have a certain amount of time to object to your discharge. This is done with an adversary proceeding. An adversary proceeding asks the Bankruptcy Court to refuse to discharge a certain debt for some particular reason. The most common reason is fraud, either giving rise to the debt (like if you got the money by stealing from your employer) or fraud in the bankruptcy (like lying about your assets). An *adversary proceeding* goes on like regular litigation, and it can take as long as regular litigation. Your discharge of these debts will be delayed until the adversary proceeding is resolved.

- If there are no problems with your Chapter 7 Petition and once any adversary proceedings are resolved, you will receive a Notice of Discharge. You may have to fill in forms to get a judgment removed from a judgment roll, but other than bookkeeping matters you have been given a fresh start.

It’s hard to say how long all these steps will take in your case. The entire process can take from as little as three months, to as long as five years. Bankruptcy is one of those rare areas where the process is faster in population centers. In Manhattan, you can receive a Chapter 7 discharge in about three months, whereas it takes about twice as long in rural Nevada. Adversary proceedings are as uncertain as any other litigation, although most Bankruptcy Courts are fairly vigilant about moving them through the system quickly.

## STEPS FOR FILING BANKRUPTCY

|    | STEP  | Estimated time                                   |
|----|---|--|
| 1. | Make appt to come in and pick up worksheet and notice | 10-15 mins                                       |
| 2. | Complete worksheet and gather required info           | 3+ hours<br>depending on your personal situation |
| 3. | Complete Credit Counseling requirement                | 1 hour or less                                   |
| 4. | Communicate with us to set appointment                | Approximately 1 week wait for an<br>appointment  |
| 5. | Come in for appointment                               | 1 hour   |

Once you have met with us and decided that you wish to proceed with a bankruptcy filing  
 Pay the appropriate fees

| <b>Fee</b>                                      | <b>Chapter 7</b>                           | <b>Chapter 13</b>                        |
|---|--|--|
| Credit Counseling                               | \$25                                       | \$25                                     |
| Filing Fee                                      | \$335                                      | \$310                                    |
| Attorney's Fee Required<br><b>Before Filing</b> | \$1500                                     | \$0.00*                                  |
| <b>TOTAL</b>                                    | <b>\$1,860 including credit counseling</b> | <b>\$335 including credit counseling</b> |

\*typical attorney fee for Chapter 13 is \$4,500 and will be paid as a part of the Chapter 13 Plan