

2022 CHLF KEY SUMMARY POINTS TO KNOW ABOUT BANKRUPTCY:

- Client has received government bankruptcy disclosures and a retainer agreement.
- Attorney has explained, and Client understands, the different types of consumer bankruptcy and the negative impact of filing for bankruptcy on credit and possibly employment opportunities or insurance rates.
- Client shall disclose all assets, liabilities, income, and expenses to his/her/their knowledge.
- Client has been advised that the **law requires truthfulness in all statements**. Client makes to the Attorney or to the Court and that the Court or the U.S. Attorney will investigate and prosecute anyone who is believed to be trying to defraud the Court or creditors. Under federal law, all information provided by the Debtor is subject to examination by the U.S. Attorney General.
- **Any debt(s) not listed in an Asset case will not be discharged**. This includes potential claims from accidents, injuries or lawsuits.
- Client's legal rights may be assumed during the bankruptcy by the Trustee, e.g., lawsuits for certain damages or money collection such as car accidents, personal injury lawsuits, class actions, etc.
- Client must disclose if they have filed any type of bankruptcy anywhere in the past **8 years**. Client may be unable to declare the same chapter of bankruptcy for **8 years** after the date of filing, but may be able to declare under another chapter.
- Client is responsible for **new debt created after the filing date of any petition for bankruptcy**.
- The bankruptcy Trustee may require Client to turn over state and federal **tax refunds** that Client has not yet received BUT usually just for the current and possibly following year.
- The Trustee is entitled to **any inheritance** or insurance policy proceeds. Client may become entitled to receive up to **6 months** after the filing of bankruptcy in a chapter 7. **Chapter 13 time may be during entire Chapter 13**.
- If Client intends to keep his home, automobile or other collateral for a secured loan, Client must make all post-petition payments on such items, even though debts are discharged or arrearages are to be brought current under Chapter 13 Plan.
- Client may have the option to reaffirm certain non-real estate secured debt, and that reaffirmed debt is not discharged by the bankruptcy. Attorney reserves the right to decline to sign a reaffirmation agreement and any representation regarding reaffirmations may be outside the normal scope of representation as noted above.
- If Client chooses to continue making payments without reaffirmation, Client must make all payments regardless of whether an invoice from a creditor is received. **Many creditors will stop sending statements or cut off on-line access**.
- If Client is making installment payments without reaffirmation, failure to pay for use during any installment period may be the creation of new debt not discharged by the bankruptcy.
Any debt created by marriage, as a co-signatory or jointly otherwise, may be discharged only as to Client, but not as to a spouse unless both file bankruptcy.
Some debts created within **90 days** of filing bankruptcy might be non-dischargeable.
- Payments of more than **\$600.00 total** to any one creditor in **90 days** before filing must be disclosed.
- Any debt created with the intent to discharge through bankruptcy may be non-dischargeable and may disqualify Client from bankruptcy.
- Homeowners will be responsible for post-petition **HOA dues** even after a foreclosure or surrender of property until the title transfer is completed and a new deed issued.
- Payments or transfers to relatives, business associates or other "insiders" within **1 year** before filing may be recovered from such insider by the Trustee.
- Payments or transfers to friends and relatives in exchange for inadequate consideration within **4 years** of filing may be challenged by the Trustee whether or not evidence of fraud is present.
- Client is advised **domestic support obligations** (DSO) owed to another are not dischargeable and in a chapter 13, Debtor must be current on any DSO at end of Plan payments even if divorce or DSOs did not occur until after bankruptcy.
- **Student loan debt, criminal restitution, and debt arising from fraud by the Debtor(s) usually cannot be discharged**. Client is advised that **student loan debts** are not dischargeable except by filing a separate lawsuit and establishing a showing of extreme undue hardship which is rarely granted by the Court.
- **Client shall maintain current contact information (current addresses, phone, and email) with this office.**

Chapter13 Clients

- Client acknowledges that in an approved Chapter 13 plan, student loans usually may not be paid inside the repayment Plan. Instead, a bankruptcy forbearance will usually apply and interest will accrue during the life of the Plan and will be payable after end of Plan.
- Client is responsible for making timely Trustee and, if applicable, mortgage payments under Chapter 13 - otherwise the bankruptcy may be dismissed.
 - Attorney is not a tax attorney. Clients may be advised to consult a tax attorney. If you failed to file federal or state tax returns in past years and do not file all missing returns before filing bankruptcy, some older taxes may never be dischargeable. Some older taxes from prior year tax returns may be dischargeable but only under certain conditions.

Date:

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