

# **BLAKE GOODMAN, P.C.**

A LAW CORPORATION

**Blake Goodman, Attorney**

**Jeff Mulford, Attorney**

**Joshua Humphries, Attorney**

**James Terry, Attorney**

**Members of:**

**STATE OF HAWAII / DISTRICT OF HAWAII / DISTRICT OF NEW MEXICO**

**WESTERN DISTRICT OF TEXAS**

900 Fort Street Mall #910  
Honolulu, Hawaii 96813  
**www.debtfreehawaii.com**  
**www.debtfreemaui.com**

Office: (808) 528-4274  
Fax: (808) 518-2945

Email: [goodmanoffice@debtfreehawaii.com](mailto:goodmanoffice@debtfreehawaii.com)

**Practice Limited to Bankruptcy & Tax Problem Resolution**

*Dear Client:*

Thank you for retaining our law firm. Enclosed is a series of important questions that I need you to answer in order to file your bankruptcy petition.

We require the following items from all clients who file for a *Chapter 7 OR 13 Bankruptcy*:

- **COPY OF YOUR PAY STUBS OR OTHER PROOF OF INCOME ADVICES FOR THE LAST SEVEN (7) MONTHS.**
- **COPY OF YOUR LAST YEARS TAX RETURN AND ALL SUPPORTING SCHEDULES AND DOCUMENTS (1098's, 1099's, W2's, etc).**

**BOTH OF THESE ARE ESSENTIAL REQUIREMENTS. YOUR CASE CANNOT BE FILED WITHOUT THEM. We realize you may have to go back to your employer, previous employer, retirement plan administrator, unemployment office, other benefit provider office, etc, in order to obtain the last 7 months of pay-stubs or pay advices, but this requirement and supplying us with your last year's tax return are very important to processing your case. Please call our office if you have any questions.**

When you return the enclosed questionnaire, please enclose the documents listed above. This will expedite the filing and confirmation of your case.

You are welcome to **fax (808) 518-2945**, **walk in** (anytime between Mon-Fri, 8:30am-5pm), or **mail back** the completed questionnaire. If you mail it back, please consider making a copy for yourself in the event it gets lost in the mail.

*Lastly, please keep in mind the following issues that often cause confusion in bankruptcy cases:*

1. Filing for bankruptcy does not protect your co-signer's credit report, although in some cases it may protect your co-signers from collection efforts. Please talk to us if you are confused about this.
2. Filing for bankruptcy does not protect you from collection efforts for ongoing child support and alimony, insufficient funds checks (bad checks), traffic tickets, or other state/federal imposed fines. These debts have to be listed by law in your bankruptcy petition, but please be aware that an appropriate government agency may still require you to pay these debts.
3. You will receive one copy of all documents that our office prepares in your case. Our office has a .25 cents per page copy charge if you need any additional copies of your bankruptcy documents and a \$50.00 fee if we need to retrieve your file from off-site storage. This only pertains to additional copies of items you may have lost.

# Important

This information is critical to making certain your case is given rush or non-rush status in our office.

1. At this time, is there a JUDICIAL or NONJUDICIAL AUCTION SALE scheduled for your real estate?    Yes      No  
If yes, please give the date of the sale. \_\_\_\_\_
2. If you own real estate, are you behind in your house payments?    Yes      No  
If yes, by how many months? \_\_\_\_\_
3. Regarding payments for a vehicle that you intend to keep, how many months are you behind (if any) in your vehicle payments? \_\_\_\_\_
4. Are your wages currently being garnished?    Yes      No
5. Are you expecting your wages to be garnished?    Yes      No  
If yes, when? \_\_\_\_\_

## PART 1: Information about your household.

**NOTE: If you are married and filing jointly, “You”, refers to the husband and, “Spouse”, refers to the wife. However, if you are filing *without your spouse*, “YOU” refers to you and “SPOUSE” refers to your spouse.**

1. If married, are you filing jointly? Yes \_\_\_\_\_ No \_\_\_\_\_
2. If married, but filing by yourself, are you separated (means not co-habiting)?  
Yes \_\_\_\_\_ No \_\_\_\_\_

**NOTE: If you answered “no” to both question 1) and 2), you must include your spouse’s gross income and/or expenses below, whether or not they are filing bankruptcy with you. In other words, if you are filing by yourself and separated then you can disregard the questions below about income and or expenses as they pertain to your spouse.**

3. Name and Residence Information:

4.

A. You: \_\_\_\_\_  
(First Name) (Middle Name) (Last Name)

Your Social Security Number: \_\_\_\_\_

Date of Birth (mm/dd/yy): \_\_\_\_\_

B. Spouse: \_\_\_\_\_  
(First Name) (Middle Name) (Last Name)

Spouse’s Social Security Number: \_\_\_\_\_

Date of Birth (mm/dd/yy): \_\_\_\_\_

C. Current Physical Address: \_\_\_\_\_  
\_\_\_\_\_  
(City) (State) (Zip)

D. Mailing Address, (if different from physical address): \_\_\_\_\_  
\_\_\_\_\_  
(City) (State) (Zip)

E. Home Phone #: \_\_\_\_\_.

Your Work Phone #: \_\_\_\_\_.

Your Cell Phone #: \_\_\_\_\_.

Your Email Address: \_\_\_\_\_.

Spouse’s Work Phone #: \_\_\_\_\_.

Spouse’s Cell Phone #: \_\_\_\_\_.

Spouse’s Email Address: \_\_\_\_\_.

5. Prior Bankruptcies:

A. Have you or your spouse (if applicable) ever filed bankruptcy before? \_\_\_\_\_

If yes, who filed? \_\_\_\_\_ When? \_\_\_\_\_

Where? \_\_\_\_\_ Case No.? \_\_\_\_\_

B. Please complete the following if you, your spouse, partner or affiliate has filed a bankruptcy that is pending at this time:

Name of person(s) filing case: \_\_\_\_\_

Case Number: \_\_\_\_\_ Date filed: \_\_\_\_\_

Relationship to Debtor: \_\_\_\_\_ District: \_\_\_\_\_

6. Besides you and your spouse, (if applicable), how many other people live in your household, (That means primarily live under your roof.)? Include any children, foster children, parents, aunts, cousins, etc.

Name: \_\_\_\_\_ age: \_\_\_\_\_ relation: (example: son) \_\_\_\_\_

Name: \_\_\_\_\_ age: \_\_\_\_\_ relation: \_\_\_\_\_

Name: \_\_\_\_\_ age: \_\_\_\_\_ relation: \_\_\_\_\_

Name: \_\_\_\_\_ age: \_\_\_\_\_ relation: \_\_\_\_\_

Name: \_\_\_\_\_ age: \_\_\_\_\_ relation: \_\_\_\_\_

7. Do any of the above persons earn an income, (that means wage, salary, retirement income, social security, operate a business)? \_\_\_\_\_yes \_\_\_\_\_no

8. If any other members of your household earn an income then do they contribute any money to the monthly household expenses for food, rent, insurance, utilities, car payments, etc? \_\_\_\_\_yes \_\_\_\_\_no. If yes, please answer:

Name: \_\_\_\_\_ type of income: \_\_\_\_\_ amount: \_\_\_\_\_ per month

Name: \_\_\_\_\_ type of income: \_\_\_\_\_ amount: \_\_\_\_\_ per month

Name: \_\_\_\_\_ type of income: \_\_\_\_\_ amount: \_\_\_\_\_ per month

**PART 2: Please supply us with information about the following expenses you and/or your family incur(s) on a monthly basis.**

**A. MARITAL ADJUSTMENT.** If you are married and not separated, but filing bankruptcy by yourself, then please provide us with the expenses that your spouse incurs monthly. If you are married and filing jointly, then disregard this section and jump down to part B, HOUSING EXPENSES, below.

1. Your spouse's monthly car payment: \_\_\_\_\_

2. Your spouse's monthly credit card payments, (minimum monthly combined for all cards): \_\_\_\_\_

3. Your spouse's monthly payments that are required on any other debts, (personal loans, back taxes, medical bills, etc.): \_\_\_\_\_
4. Your spouse's monthly child support or alimony that they pay out: \_\_\_\_\_
5. Any other expenses that they pay for by themselves:  
 type: \_\_\_\_\_ amount: \_\_\_\_\_  
 type: \_\_\_\_\_ amount: \_\_\_\_\_  
 type: \_\_\_\_\_ amount: \_\_\_\_\_

**B. HOUSING EXPENSES.** Please give us information for housing expenses for you and your spouse, (if separated, you don't need to supply us with spouse's info).

1. Monthly rent expense: \_\_\_\_\_ (If renting you can skip down to part C., below.)
2. If paying a mortgage or mortgages, what is your monthly mortgage payment(s)?  
 1<sup>st</sup> \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ 3<sup>rd</sup> \_\_\_\_\_

**C. OTHER NECESSARY EXPENSES.** Please provide us with information regarding other expenses for you and your spouse, (disregard spouses information, if separated).

1. What is your monthly retirement loan repayment that is deducted from your pay? (This is different from your ongoing retirement contributions. It is the amount you borrowed from your retirement account and are now paying back.)  
 You: \_\_\_\_\_ total balance still owing on loan: \_\_\_\_\_  
 Your spouse: \_\_\_\_\_ total balance still owing on loan: \_\_\_\_\_
2. What is the average monthly amount you pay for life insurance covering you or your spouse's life, deducted from your pay or otherwise? Do include premiums paid for whole life, universal life or any other insurance covering the life of other dependents. You:  
 \_\_\_\_\_ your spouse: \_\_\_\_\_  
 Term or Whole Life? Please circle which one or both if applicable.
3. What is the monthly amount you pay for court-ordered child support or alimony, deducted from your pay or otherwise?  
 You: \_\_\_\_\_ your spouse: \_\_\_\_\_  
 When are these payments due to expire? (date) \_\_\_\_\_
4. What is the average monthly amount you will continue to give to charitable organizations, (note: this charitable giving must have been done regularly in the past.)?  
 You: \_\_\_\_\_ your spouse: \_\_\_\_\_

**D. SECURED DEBT PAYMENTS.** Please provide us with additional information about your secured debts, regardless of having supplied us with information above about your house or car payments. **A secured debt is a debt secured by some property that you own, such as a house**

**mortgage, car loan, jewelry, furniture or jet-ski loan.** It may seem like you’re giving us this information twice, but it is important that we revisit this area at this point. **For each and every secured debt, please complete the table.**

*You may have to refer to your original loan papers or call your creditors in some instances to obtain correct information. It’s very important.*

Creditor Name	H= husband W=wife or J=joint Debt	Property description	When loan entered into? (very important)	Monthly payment	When is the last payment to finish paying this loan due?	Any balloon payments due in 5 years? When?	Total Principal Balance owing*	Amount to cure any arrearages (include attorney and late fees)
Example: CitiMortgage	J	123 Prospect Rd.	10/2004	\$2,500.00	2034	No	\$350,000.00	\$6,000.00

\*Principal balance owing means the amount owed today if paid off today, not the amount you’d pay with all the future interest. Please call your creditor if you’re not sure.

Comments on any aspects of the table above:

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**E. BACK TAX DEBTS.** Please provide us with information about any and all Federal and State back tax liabilities for Income Tax, Gross Receipts Tax, Employment (withholding) Tax, Real Property Tax.

*If you don’t have a tax return prepared or filed for a past year and you believe you would owe a liability, then indicate that no return is filed. Please estimate to the best of your ability the amount of the tax that would be owed.*

Tax Year	H, W or Joint Debt	Type of Tax, i.e. Income, Gross Receipts, Employment, Real Property	IRS or State of Hawaii (or other State)	Return filed when? If not filed put “none”	Amount owed	Is a tax lien filed for this year? Yes, No, or Don’t Know


**F. BACK CHILD SUPPORT AND ALIMONY.** Please provide us information about **back** child support and alimony that you owe to a former spouse or child, whether or not a governmental agency is now collecting the debt.

1. What is the amount you owe for back child support or alimony? \_\_\_\_\_
2. Are you paying these payments to a governmental agency? (such as Child Support Enforcement Agency-CSEA)      yes      no

**PART 3: Please provide us more details about your vehicles.**

Do you own or are you making payments on any cars, trucks, trailers, campers, motorbikes or other vehicles? If so, please complete the following REQUIRED information for each vehicle by filling in/and or circling the vehicle descriptions. You must be precise. Please indicate any loans associated with vehicles, and remember to add these loans to the list of creditors that you supply us.

**VEHICLE #1**

**Year      Make      Model      Mileage      VIN**  
 \_\_\_\_\_

If you have a loan on this vehicle, please complete:  
 Creditor: \_\_\_\_\_ Loan balance: \_\_\_\_\_  
 --Who is/are the title owner(s) of this vehicle (you, you and spouse, you and someone else)?

\_\_\_\_\_  
 --Who is/are the signers or obligors on this car loan (you, you and spouse, you and someone else)?

**Click appropriate descriptions for this vehicle:**

- 2 door    3 door    4 door    5 door    sedan    coupe    sport    hatchback    convertible
- Turbo    Cargo van    t-top    diesel engine    V4    V6    V8    AWD    4-wheel drive
- 5speed    theft recovery system    navigation    sunroof    power seats    power
- windows    power sliding door    cruise control    leather seats    air-conditioner
- aluminum alloy wheels    additional features not listed here: \_\_\_\_\_

**ARE THERE ANY MODEL LETTERS OR NUMBERS THAT HELP IDENTIFY THIS VEHICLE:** (for example) CE, LXI, GLE, Model numbers: \_\_\_\_\_

Condition:      excellent      good      fair      poor      scrap metal

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**VEHICLE #2**

<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Mileage</b>	<b>VIN</b>
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If you have a loan on this vehicle, please complete:

Creditor: \_\_\_\_\_ Loan balance: \_\_\_\_\_

--Who is/are the title owner(s) of this vehicle (you, you and spouse, you and someone else)?

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--Who is/are the signers or obligors on this car loan (you, you and spouse, you and someone else)?

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**Click appropriate descriptions for this vehicle:**

2 door   3 door   4 door   5 door   sedan   coupe   sport   hatchback   convertible

Turbo   Cargo van   t-top   diesel engine   V4   V6   V8   AWD   4-wheel drive

5speed   theft recovery system   navigation   sunroof   power seats   power

windows   power sliding door   cruise control   leather seats   air-conditioner

aluminum alloy wheels   additional features not listed here: \_\_\_\_\_

**ARE THERE ANY MODEL LETTERS OR NUMBERS THAT HELP IDENTIFY THIS VEHICLE:** (for example) CE, LXI, GLE, Model numbers: \_\_\_\_\_

Condition:      excellent      good      fair      poor      scrap metal

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**VEHICLE #3**

<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Mileage</b>	<b>VIN</b>
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If you have a loan on this vehicle, please complete:

Creditor: \_\_\_\_\_ Loan balance: \_\_\_\_\_

--Who is/are the title owner(s) of this vehicle (you, you and spouse, you and someone else)?

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--Who is/are the signers or obligors on this car loan (you, you and spouse, you and someone else)?

---

**Click appropriate descriptions for this vehicle:**

2 door   3 door   4 door   5 door   sedan   coupe   sport   hatchback   convertible

Turbo   Cargo van   t-top   diesel engine   V4   V6   V8   AWD   4-wheel drive

5speed   theft recovery system   navigation   sunroof   power seats   power

windows   power sliding door   cruise control   leather seats   air-conditioner

aluminum alloy wheels   additional features not listed here: \_\_\_\_\_

**ARE THERE ANY MODEL LETTERS OR NUMBERS THAT HELP IDENTIFY THIS VEHICLE:** (for example) CE, LXI, GLE, Model numbers: \_\_\_\_\_

Condition:      excellent      good      fair      poor      scrap metal

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***\*PLEASE ADD AN ADDITIONAL SHEET WITH THE SAME INFORMATION IF YOU OWN ANY OTHER VEHICLES OR INDICATE BELOW***



**PART 4: IF YOU HAVE A BUSINESS, Please supply us with more details about your business. (if not, skip this part.)**

**NOTE: You must also fill out this form if you are self-employed and/or have a profession that generates out-of-pocket expenses.**

**TOTAL GROSS RECEIPTS/REVENUE ON AVERAGE PER MONTH** \$ \_\_\_\_\_

**Regular Monthly Expenses**

Rent.....\$ \_\_\_\_\_

Liability Insurance.....\$ \_\_\_\_\_

Business Auto Insurance.....\$ \_\_\_\_\_

Business License/Fee.....\$ \_\_\_\_\_

Workmen’s Compensation Insurance.....\$ \_\_\_\_\_

Unemployment Insurance.....\$ \_\_\_\_\_

Other Insurance (describe).....\$ \_\_\_\_\_

Payroll Expenses.....\$ \_\_\_\_\_

Personal Income Tax.....\$ \_\_\_\_\_

GE Tax.....\$ \_\_\_\_\_

Ongoing Education (related to profession).....\$ \_\_\_\_\_

Transportation (gasoline).....\$ \_\_\_\_\_

Vehicle Maintenance.....\$ \_\_\_\_\_

Business equipment maintenance.....\$ \_\_\_\_\_

Equipment Rental.....\$ \_\_\_\_\_

Internet Service.....\$ \_\_\_\_\_

Utilities.....\$ \_\_\_\_\_

Telephone.....\$ \_\_\_\_\_

Pager.....\$ \_\_\_\_\_

Advertising.....\$ \_\_\_\_\_

Office Supplies.....\$ \_\_\_\_\_

Computer Printer Cartridges.....\$ \_\_\_\_\_

Postage.....\$ \_\_\_\_\_

Protective Gear.....\$ \_\_\_\_\_

Cost of Goods Sold:

(describe) \_\_\_\_\_ \$ \_\_\_\_\_ (describe) \_\_\_\_\_ \$ \_\_\_\_\_

(describe) \_\_\_\_\_ \$ \_\_\_\_\_ (describe) \_\_\_\_\_ \$ \_\_\_\_\_

Materials Used in Business:

(describe) \_\_\_\_\_ \$ \_\_\_\_\_ (describe) \_\_\_\_\_ \$ \_\_\_\_\_

(describe) \_\_\_\_\_ \$ \_\_\_\_\_ (describe) \_\_\_\_\_ \$ \_\_\_\_\_

Detail other Miscellaneous Expenses:

Dear Client(s), in order to represent you under the new bankruptcy laws, it is important that you read both mandatory notice requirements and likewise sign both forms at the bottom of each. Please make a copy for your records and return both forms to us along with your other written information. Thank you.

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DISCLOSURES REQUIRED UNDER SECTION 527 AND 342 OF THE BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005.

## 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 nothing but 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 an affordable 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 allows 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 portion of any deficiency debt.

In addition to attorney fees, there is a filing fee 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 debtor's property is protected from seizure from creditors, including mortgage and other lien holders, as long as the proposed payments are made and necessary insurance coverage's 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.

Additional information about chapter 13 is available at the Site.

In addition to attorney fees, there is a filing fee 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 7 to 10 years. Whether or not the debtor will be granted credit in the future is unpredictable, and probably depends, to a certain extent, on what good things the debtor does in the nature of keeping a job, saving money, making timely payments on secured debts, etc.

### 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 probably makes little sense to consider contacting a credit counseling organization.

If, on the other hand, you meet all or most 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.

Most credit counselors offer services through local offices, the Internet, or on the telephone. If possible, it 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 DMP's 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 DMP's fund themselves in part through arrangements with 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.

**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.

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 solution.

Date: \_\_\_\_\_ Print Name: \_\_\_\_\_ Sign: \_\_\_\_\_

If joint debtor--

Date: \_\_\_\_\_ Print Name: \_\_\_\_\_ Sign: \_\_\_\_\_

Dear Client(s), please read and acknowledge that you have done so as well. I advise you make a copy for your records. Thank you.

NOTICE MANDATED BY SECTION 527(b) OF THE BANKRUPTCY CODE.

## NOTICE NO. 2

### 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 what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which, 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.

Date: \_\_\_\_\_ Print Name: \_\_\_\_\_ Sign: \_\_\_\_\_

If joint debtor--

Date: \_\_\_\_\_ Print Name: \_\_\_\_\_ Sign: \_\_\_\_\_