

Keys to Success In Chapter 13

Your decision to file a chapter 13 case, committing to a 3 to 5 year plan for repaying your creditors and the corresponding financial sacrifice over that period of time, is commendable. If you are successful in your case, you will not only get a discharge of most of your debts but also the satisfaction of knowing you paid back as much as you could. Your attorney, the Bankruptcy Court Judge and the Chapter 13 Trustee would like to see every Chapter 13 plan filed here succeed.

Below are some tips we believe will help you succeed in your case.

1. Take the Debtor Financial Management Course Immediately.

In addition to the consumer credit counseling course you completed prior to filing your bankruptcy case, you must complete a debtor financial management course to be eligible for a bankruptcy discharge. It is best to complete this course as soon as possible so you can apply the skills you will learn to your case. You will need your case number to register for this course.

2. Understand your obligations under the Plan and Confirmation Order.

The Chapter 13 plan was written by an attorney, but you need to carry it out. If you have any questions about how Chapter 13 works, what your obligations are under the plan, or what you need to do to succeed in your case, ask your attorney or the Chapter 13 trustee for clarification so you are sure you understand your responsibilities. If your plan is confirmed, the Court will issue a Confirmation Order. This is an important document. It sets out the amount and timing of the payments you must make under your plan and it also places restrictions on how you conduct your financial affairs during the term of your plan. For example, the Confirmation Order restricts your borrowing and restricts your right to sell or transfer assets while you are in Chapter 13. Read this order carefully and ask your attorney or the trustee if you have any questions about it. If you do not comply with this order, your case may be dismissed.

3. Stay current on your Mortgage Payments.

If you are making payments directly, you must make all mortgage payments that become due after your case was filed in full, on time, and to the right address. If you fail to stay current on your mortgage, the mortgage holder will be able to get "relief from stay" and foreclose on your property. If you are having difficulty paying your mortgage, call your attorney immediately.

4. Stay current on Taxes and Domestic Support Obligations.

In addition to staying current with your post-petition mortgage payments and plan payments, the Bankruptcy Code requires that you file all tax returns on time, pay all

taxes on time each year that you are in Chapter 13, and pay all support payments due to spouses, former spouses, and children on time. Failure to stay current on taxes or support obligations may result in dismissal of your case or denial of your discharge.

5. Make Your Plan Payments Through a Wage Deduction Order

Chapter 13 Plan Payments can be made by sending a bank check or a money order directly by mail to the Chapter 13 Trustee (Trustees do not accept personal checks), by making a payment through the Trustee's on-line payment system, or by having the payments deducted automatically from your pay check via a Wage Deduction Order. For those people who file and are employed, a Wage Deduction Order is the easiest way to ensure that the Plan payment gets made every month on a timely basis. The success rate for chapter 13 Plans for debtors on wage deduction orders are higher than for debtors making direct payments or on-line payments. You can contact your attorney directly to obtain the form to start this process.

6. Keep the Court, the Chapter 13 Trustee, and your Attorney informed of your current contact and employment information.

If you move or your address or contact information changes, it is critical that you notify your attorney, the Chapter 13 trustee, and the Bankruptcy Court Clerk's Office in writing. There are many notices that need to reach you during your case, and if your attorney, the Trustee, or the Court does not have accurate contact information for you, you may not receive important information in a timely manner. Likewise, if you lose or change your job, if you experience any change in your life that will substantially affect your monthly income or expenses, or if you experience unexpected changes in your financial condition (such as receiving an inheritance), it is imperative that you notify your attorney immediately. If you act promptly, it is much more likely that you will be able to modify your Chapter 13 plan to reflect that change and be able to complete your case.