

CHAPTER 7 INSTRUCTIONS: AFTER YOU FILE YOUR CASE

Debts You Will Have to Pay Even After Filing Bankruptcy:

- All child and spousal support and most income taxes and student loans
- Debts the Bankruptcy Court decides you incurred by fraud
- Secured debts like vehicle loans, home loans, some furniture and jewelry loans (if you want to keep the items)
- Vehicle leases (if you want to keep the vehicle)
- Your normal monthly utility bills, rent or mortgage payments, insurance, etc.

Checking and Savings Accounts:

If you owe a debt to the same credit union or bank where you have a checking or savings account, you should withdraw as much of the checking and savings account balances as you can before filing the bankruptcy, because the bank or credit union may take the money in your checking or savings account and apply it to your loan. If they do that, your checks may bounce.

Automatic Payments:

If you have payments on a debt automatically deducted from your paycheck (such as for a credit union car loan or personal loan), go to your credit union or payroll office and fill out their form requesting that such deductions stop. Do this immediately. If money continues to be taken out after you have signed the form to stop it and after your bankruptcy case has been filed, you should contact the credit union to get a refund of that money. If you have a problem with this, call our office.

House Payments (if you do not own real property, skip this section):

- A bankruptcy does NOT “wipe out” real estate or home loans. A Chapter 7 bankruptcy only stops a foreclosure for a short period of time. Fairly quickly after filing a Chapter 7 bankruptcy, if a house is in foreclosure, that process will continue. **If your house is in foreclosure now or in the next few months, make sure to let us know immediately.**
- You will be responsible for making your normal mortgage payments directly to the lenders and for catching up on any past-due payments.

- If you cannot bring your mortgage payments up to date immediately and make your future payments regularly, the home lender will be likely to file a Motion for Relief from the Stay in Bankruptcy Court, asking for permission to go ahead and foreclose on your house or land, ***even before you receive your discharge in your bankruptcy case***. Show us any legal papers your lender sends to you. After you receive your bankruptcy discharge, if you are behind on your house loans, the lender can foreclose on your house without notifying our office or asking permission from the Bankruptcy Court. You will have to take care of this problem by yourself.
- If the Bankruptcy Trustee disagrees with your estimate of the value of your real property, s/he can get an independent appraisal of the house. If the appraisal shows a value which is higher than we can protect with the available exemptions, you may have to arrange to pay the difference to the Trustee. If you cannot pay that difference, the Trustee may sell your house.
- Do not plan on selling or refinancing your house or real property until after you receive your bankruptcy discharge.

Utility Deposits (if you are not listing a debt for a utility bill, skip this section):

If you have a past-due utility bill (phone, electricity, cable, gas, water) that was listed as a debt in this case, the utility company can make you pay a new deposit within 20 days of filing the bankruptcy to continue service.

Tax Refunds:

If you owe taxes for previous years, the Internal Revenue Service and the New York State Department of Taxation and Finance may be able to seize your future tax refunds. In addition, child support creditors, or student loan collectors may also be able to seize tax refunds you would otherwise be entitled to receive. The law is changing regarding your rights in these refunds. Call our office if your tax refund is seized so we can advise you about your rights and help you if it is possible.

Meeting with the Trustee:

Within 30 - 45 days, you will have to attend a meeting called the 341 hearing or meeting of creditors.

Marc Ehrlich or Anthony Arcodia Jr. will meet you at the room in the Federal Building where the meeting will be held. Security at the Federal Building is like at the airport. Do not bring sharp objects. Cell phones are okay as long as they do not have a camera. Bring your photo ID and evidence of your Social Security number or, hopefully, your Social Security card. **Do not be worried**

about this meeting. In about a week, the court will send you a notice of the time and date of the meeting. We will also send you a letter confirming the date and time of the meeting. You will probably receive your bankruptcy discharge order within 3 – 5 months after this meeting.

**** IMPORTANT – DEBTOR EDUCATION Requirement! ****

Before you can get your bankruptcy discharge (the order that says you no longer owe the listed debts), you must complete a “Debtor Education” class of 1 or 2 hours. If you need help locating, taking this class, and getting the necessary “Certificate”, please call our assistants.

*If you become entitled to an inheritance within 6 months of filing your bankruptcy, the Bankruptcy Trustee may be able to take that money. **Tell me now if you think this may happen.***

Credit Reports:

The fact that you filed a Chapter 7 bankruptcy will show on your credit reports for 10 years.

Remember to Keep Us Informed:

- Let us know if you move, change your telephone number, or get a new job. We may need to contact you to help you.
- Let us know if you are being sued or evicted so we can help you. Please bring the papers in to our office.
- If you have any other problems, please tell one of our assistants what the problem is so we can do some initial work on your problem before we call you back. **Please help us help you!**