

# Rubin & Todaro

Attorneys at Law  
337 West State Street  
Media, PA 19063

Lawrence S. Rubin†  
Raphael A. Todaro‡

†Member PA, NY, & NJ Bars  
‡Member PA & NJ Bars

(610) 565-6660  
Fax (610) 565-1912  
lrubin@pennlawyer.com

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Dear Client

You have requested me to file a case under **Chapter 13** of the Bankruptcy Code. We have agreed that for this service, I will be paid<sup>1</sup> a retainer of \$call for current fees.<sup>2</sup> This fee (plus the filing fee, see below) is not refundable, even if the case is not confirmed, or dismissed voluntarily or involuntarily. The court filing fee (what I must pay the Court to accept your case) is \$274<sup>3</sup> and is in addition to the stated fee. You must also advance any required pre-filing and post filing credit counseling or credit management costs. The fee you are paying is not contingent upon any event. All checks including costs should be payable to "Lawrence S. Rubin, Attorney." Here is a summary:

Chapter 13 retainer	\$call for current fees
Minimum legal fee to file-not incl. filing fee	\$call for current fees
Balance to be paid through plan	\$ 0.00
Court cost	\$ 274.00
Credit counseling	\$ 30-70
Hourly rate, if charged herein	\$
Min. to get case filed (excluding credit counseling charge), bal. under plan	\$call for current fees
Financial management course <sup>4</sup>	\$ From \$18-\$70

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<sup>1</sup>Payment forms - **Check**: Cases will not be filed until funds are verified. Your case will be delayed. If this is an emergency filing, personal checks are not accepted. **Certified funds/money order/bank checks**: No filing delay. **Debit card**: only through website via Paypal ([www.paypal.com](http://www.paypal.com)). No filing delay. Through the internet: see my website [www.pennlawyer.com](http://www.pennlawyer.com) scroll to the bottom of page, and click on the Paypal button. No filing delay. Cash: No filing delay. Under no circumstances will a credit card payment be accepted, unless it belongs to a non-debtor. No debtor may use a credit card belonging to him or her to file this case.

<sup>2</sup>This fee shall be valid for 60 days subsequent to the execution of this agreement. After 60 days from the date this is signed, fees may be increased by attorney, *unless* a partial payment has been made. If partial payment is made this shall preserve the fee for days from the date this agreement is signed. If full payment is made, the fee agreement may not be changed by attorney. **Checks received for costs are subject to a hold for 5-10 business days.** Please be advised that no money will be advanced out of my attorney trust account unless the funds are cleared. It is recommended in exigent circumstances that costs be paid by money order or cash.

<sup>3</sup>In the event that you have more than 15 creditors<sup>3</sup> or parties in interest, we reserve the right to bill actual charges for service of notices required to be served by the court. Service costs are usually just first class mail fees. Fifteen or less will not be billed to you.

<sup>4</sup>The financial management course should be taken shortly after you file, or it is likely you will forget to take it later. **This course is required for a discharge** and must be taken before your last payment. Do not wait!

### What your attorney fee covers

1. Your initial interview for purposes of preparing petition and schedules.
2. Preparation of the necessary documentation for the normal chapter 13 and plan.
3. Filing the required documentation (see limitations below). It also includes responding to the trustee's infeasibility motion, if one is filed.
4. Representation at the §341 Meeting of Creditors.
5. General guidance, assistance and management of your creditors.
6. Telephone inquiries and general questions.
7. Obtaining confirmation where no creditor has filed an objection to the same (see below for further clarification).
8. In the event that your case is dismissed due to any fault of your own (e.g. non-payment of the plan, infeasibility, etc.) you are not entitled to a refund of attorney's fees.

The attorney fee *does not cover* the following:

1. The filing fee (this will be collected for payment to the Clerk).
  2. Obtaining an extension or imposition of the automatic stay under 11 USC §362(c), which provides, in part, that the stay will terminate after 30 days if one prior case was pending within a year of the new filing, or that no stay will take place at all if 2 or more cases were pending. Please see me for further explanation. Services under this provision will be billed at the hourly rate in addition to any other bankruptcy fees.
  3. Significant amendment of the plan or schedules for matters that you knew of at the time you filed.
  4. Preparation of your taxes.
  5. Obtaining permission to refile the bankruptcy case after a bar order.
  6. Recovery of a preferential transfer (this is rare-see me for explanation).
  7. Defense of motions filed by your mortgage companies or other secured creditors requesting modification of the automatic stay (i.e if you stop making mortgage payments).<sup>5</sup>
  8. Services provided after a default under a stipulation entered into subsequent to a stay relief motion.
  9. Defense of motions filed by the trustee to dismiss your case for failure to pay the plan, and/or for your failure to appear at the Meeting of Creditors.
  10. Attendance at **confirmation hearing** unless ordered by the court or for purposes required by the case.
- Generally, no appearance is required by you or the attorney at the confirmation hearing.**
11. Objections to claims you wish to challenge in court or other's objections to your confirmation<sup>6</sup>.
  12. Preparation of the court documents required to sell your home, if required, or hearings thereon. *Note: If you do wish to sell any of your real estate, the law requires that you obtain **court approval**.* Therefore, you must let me know if you desire to sell your property *before* you sign any contracts, listing agreements, or other papers concerning your real property.
  13. Reaffirmation of a debt (appearing in court for this).
  14. Defense of motions to dismiss because of a bad faith filing or other motions filed by creditors to limit your rights under chapter 13.
  15. *Conversion of your case to another chapter.* If your case is converted to a chapter 7, the fee is slightly less than the fee I would charge for the original filing of such a case. As of this date, that fee is \$ \_\_\_\_\_ plus any additional court costs (about \$ \_\_\_\_\_ at present) court costs. This fee is payable prior to the conversion.
  16. Motions to abate the plan, or motions to change the plan after confirmation of the plan.
  17. FDCPA or FCRA claims. These claims may be brought in a bankruptcy case but are not a part of the original proceeding.
  18. Matters not directly connected with a chapter 13 case, including the sale of your real estate.
  19. Obtaining approval for other professional's fees.
  20. Obtaining approval for personal injury settlements or dealing in matters wherein a personal injury case is involved with another attorney.
  21. Arranging/contracting for utility service for you or your family with any utility company including but not limited to electrical, telephone, cable, or cell phone service.

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<sup>5</sup>In the event of a stay relief motion, **you will be billed for the hour and a half** at the time the motion is received by the office at the current billing rate..

<sup>6</sup>Objections to claims are billed as follows: Three hours as a retainer (3 x current hourly rate) and then by the hour thereafter. Objections to confirmations are handled on an hourly basis. Simple, curable objections are usually no billed, e.g. where a simple amendment will cure the objection.

- 22. Matters pertaining to fixing your credit report or FCRA issues.
- 23. Matters pertaining to your employment, or regarding obtaining employment, even if bankruptcy prevents you from obtaining employment (unlawful, see footnote)<sup>7</sup>.
- 24. Recovering a vehicle title from a lender or reclaiming any withheld property, including cash, regardless of the reason therefore. Such services will be billed at the current hourly rate.
- 25. Appeals, to any court.
- 26. Negotiating down your mortgage principal or for a reduction or forgiveness of interest, principal, attorney's fees or costs on default of a mortgage or note.
- 27. Lastly, your legal fee *does not warrant to you that you will actually receive a discharge from all of your debts or any one in particular*<sup>8</sup>. Your legal fee is not meant to purchase a discharge. You are purchasing professional services only. Whether you receive a discharge is a determination to be made by the court, which is an independent entity, unbound by any agreement made between you and I. Neither I, nor anyone in my office can guarantee a favorable result. I can say that the vast majority of people are pleased with the outcome of their case, if they complete their plan payments.

### Miscellaneous fees

- Fees for credit counseling and financial management course (required).
- **Adding creditors:** In the event that creditors are added after filing the fees will be as follows:  
Filing fee (paid to the Clerk of the USBC) - \$26.00 (any number of creditors added) plus an office administration fee: .
- **Time extensions:** In the event we file your case without schedules and you need an extension of time to complete the schedules, we will bill a flat \_\_\_\_\_ for drafting, filing and processing your extension application. Please be advised that we may file this extension without notice to you if we believe your case may be dismissed without it.
- **Correction of social security numbers.** Client remains responsible to accurately relate his or her social security number ("ssn") so that it is listed properly on the petition / schedules. Client's signature on the petition indicates that, among other things, that his / her ssn is correct. Cases that are filed with incorrect ssn's are subject to an amendment fee representing correction costs (notice charges) and in some cases a correction fee.
- **Stay violation actions.** In the event someone or some company contacts you in an attempt to collect a debt listed on your bankruptcy schedules, **you may be able to recover money from the creditor** if you suffer damages as a result. This is called a "stay violation" and a motion for contempt can be filed to enforce your rights. In the event a stay violation motion (motion for contempt) is filed, unless otherwise agreed, the legal fees will be 50% of the gross sum recovered. The decision to bring a stay violation action against a creditor shall at the reasonable discretion of counsel.
- **Objections to claims:** Billed at hour rate with a minimum three hour retainer.
- **Mortgage company disputes or questions:** As is mentioned in this document, you must continue payments to your mortgage company. You are expected to know the amount of your regular payment and the payment address. We do not keep records of payment addresses and we do not know the amount of your payment. Any services to determine these basic facts may be billed. Additionally, bankruptcy clients sometimes complain that they "made a payment that the mortgage company did not credit me for." Sometimes, bankruptcy clients believe that their mortgage payment is too high. Clients may also object to the allocation of payments. There may be other disputes as well. Although there are certain exceptions, this office is not retained to audit your mortgage account, determine the whereabouts of lost payments, explain why payments are in a certain amount, track Bankruptcy Code), or to interceded in payment disputes. Although these services can be offered, they are not a part of a chapter 13 bankruptcy fee. If you wish these services, they will be billed at the current hourly rate with a two-hour minimum.

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<sup>7</sup>11 USC §525(b) states: No private employer may terminate the employment of, or discriminate with respect to employment against, an individual who is or has been a debtor under this title, a debtor or bankrupt under the Bankruptcy Act, or an individual associated with such debtor or bankrupt, solely because such debtor or bankrupt—

- (1) is or has been a debtor under this title or a debtor or bankrupt under the Bankruptcy Act;
- (2) has been insolvent before the commencement of a case under this title or during the case but before the grant or denial of a discharge; or
- (3) has not paid a debt that is dischargeable in a case under this title or that was discharged under the Bankruptcy Act.

<sup>8</sup>Especially taxes (be sure to ask me about this point).

- **Important:** Defense of motions for relief: Current hourly rate, 1.5 hour retainer. *Please note:* If you miss mortgage payments after you file your case (“post-petition payments”), *and the mortgagor files a motion for relief*, then you will be billed a minimum of 1.5 hours at the current hourly rate, whether an Answer is filed or not. This office handles many of these motions and it almost always takes at least one hour to resolve them. If you want to save money, **keep your mortgage payments current!** “Mortgage” includes home equity loans.
- **Preparing tax returns** if requested by the client: Uncomplicated wage earner - \$ \_\_\_\_\_ a tax year. Payment for this service is billed in advance. No tax work can be done without payment.
- **Defense of misc. motions** - current hourly rate. 1.5 hour minimum.
- **Defense of motions for relief** filed by a mortgagee, auto finance lender or other such motion: Upon filing of motion by movant the first hour will be due as a minimum. Thereafter, at the prevailing current hourly rate.
- **Mortgage lien stripping** (i.e. for junior mortgages - no equity situations): retainer: \$ \_\_\_\_\_ then by the hour at prevailing current hourly rate.
- **Adversary proceedings:** Including but not limited to FDCPA actions: 3 hour retainer in advance, then by the hour.
- **Lien stripping/vehicles:** Three hour retainer in advance, then by the hour.
- **Contested confirmation hearings.** If you wish to have a plan confirmed that is not approved by the trustee and you do not wish to comply with the trustee’s recommendations, then you must attend the confirmation hearing and may be called to testify. In that case, you will be billed at the current hourly rate.
- **Missed meeting** of creditors or forced rescheduling of meeting will be billed at the current hourly rate if the meeting is rescheduled due to:
  - Not bringing proper ID (license or SS card)
  - Appearing at a meeting without having **prefiled your tax returns** with the trustee (these MUST be filed with the trustee at least 7 days before the meeting)
  - Re-attendance due to other reasons no the fault of the attorney
- Filing a **motion to obtain the return of a repossessed** vehicle: minimum retainer of 2½ hours at current hourly rate, with additional fees as used. *Attorney may require up-front payment of the retainer.*
- **Recovering other property** including seized/frozen bank/asset accounts. See above 2½ hour retainer rate.
- **Address researching** will be also billed. Client is at all times responsible for proving the proper mailing addresses for all creditors. This office cannot be responsible for incorrect addresses or lack of addresses provided by client.
- **Post-confirmation services:** Generally after confirmation of the case, all the debtor needs to do is to pay the plan. After completing payment on the plan, the court grants a discharge as a matter of course. Therefore, the case effectively ends after confirmation (except for your payments). Services after confirmation will be billed at the discretion of this office at the current hourly rate set in this fee agreement. Simple inquiries, however, will not be billed.
- **After hours services:** Services rendered to clients on weekends or after the office is normally closed (i.e. mostly after 6 or 7 p.m. will be billed higher rate: \$ \_\_\_\_\_ an hour.
- **Rescheduling of the meeting of creditors:** In the event you cannot come to the creditors for your own reasons and need it to be rescheduled, you will need to request a continuance at least two days in advance and be making current trustee payments under your plan. The following fees apply: \$25 plus mailing costs.
- **Recovering repossessed vehicles after filing:** Actual time at current hourly rate.
- **Analysis of missing mortgage/loan or other payments:** This office will assist you with payments and history of payments, however, there will be additional fees charged at the prevailing current hourly rate.
- **Obtaining permission to sell your real estate / attending settlement:** 4 hour retainer in advance, then by the hour.
- **Services rendered to obtain extensions of time due to client’s failure to pay the chapter 13 plan.** Minimum fee 30 minutes, then by the hour at hourly rate.
- **NSF checks:** NSF checks given for fees must be made up by cash or money order within 7 days after check is refused by bank. Bank fees in the amount of \$12 will be added. I do not charge a penalty, I only recover for out of pocket expenses, however, the failure to make good on a bad check will be cause for a request to the court to be removed as your attorney.

- Reproduction/retrieval of petition, schedules or discharge after case is closed. This service will be billed at a flat rate of \_\_\_\_\_, exclusive of actual costs (mailing, etc.)
- **Audits by the US Trustee.** UST audits are set to begin in late October, 2006. Approximately one in 300 cases receives an audit. Some cases may be flagged for an audit due to certain items which seem suspicious. In the event your case is chosen, you agree that this office will charge you for the time expended at the rate for bankruptcy services in effect at the time. Failure to cooperate with the audit will result in a dismissal of your case and a denial of the discharge. It may also result in more serious sanctions. Lying or providing false information in an audit may subject you to criminal sanctions. Audits have been suspended in 2008.

**Special notice:** In the event that you fail to pay your mortgage (or home equity loan) after you file bankruptcy, the bank, finance company, or other mortgagee/home equity loan creditor (the creditor to whom you owe your mortgage or home equity loan) may file a *Motion for Relief from the Automatic Stay*. This fee agreement specifically does not cover these services. The fees for defense or settlement of such a motion will be billed on an current hourly rate with 1.5 hour minimum. If such a motion is filed, an answer will be filed on your behalf. By agreeing to this fee agreement, you authorize me to file an answer on your behalf at my discretion and agree to pay for its preparation. It is therefore, very, very, important that you do not miss mortgage payments! Mortgage payments are due for the next full month after the filing date of your case.

**Important:** Please note that where a sheriff sale is scheduled and stayed because a chapter 13 is filed, many mortgagees are currently simply adjourning the sales until the next sale period. This means that if you do not pay your mortgage, and the mortgage company gets relief from the automatic stay, it will not be a very long time period until the home is sold at sheriff's sale. *In come cases, the client's house is SOLD THE NEXT DAY!*

Please also note that the same rules shall apply to vehicular payments.

Cancellation: If you decide not to go through with the case, you will be billed as follows:

- Initial visit: \_\_\_\_\_, minimum fee or the total number of hours times the hourly rate, whichever is greater.
- If the money is advanced through Paypal, less any Paypal fees.
- Hourly rate after first hour above, which is billed at the minimum of \_\_\_\_\_.
- Note: If you case is dismissed because you do not follow a court or trustee directive, or because you fail to follow a court rule, there can be no refunds

Payment methods: Cash, check, or money order. In the event your check is returned for non-sufficient funds or any other reason (e.g. Closed account, stopped by you, etc.) you are responsible for bank fees (see below).

Please note that it is the *filing* of the case that affords the relief you require, not my acceptance of representation. Therefore, if the case is not filed, you cannot receive a legal cancellation of your indebtedness, otherwise referred to as a "discharge." This discharge will take place after completion of your plan.

The following are some of the areas of interest to most Chapter 13 clients:

**IF YOU OWE MONEY TO A BANK IN WHICH YOU HAVE AN ACCOUNT**

Recent court decisions have had a disturbing impact; if you owe money to a bank or financial institution that holds a checking or savings account in which you have deposited fund, *that bank or financial institution may withdraw funds from your account (or withhold funds) in order to pay you debt.* Simply stated: if you owe money to a bank in which you have an account **close your account before going into bankruptcy!** e.g. If you have a PNC Master Card, you should withdraw your money from PNC before you file, You may reopen an account in any bank to which you owe no money. This is just a slight inconvenience, but it may save you a lot of money.

Furthermore, you are well-advised to withdraw fund of the above type, even before your file. Banks often exercise their right of setoff and withdraw money from your account even before your bankruptcy filing. Therefore, if you owe any bank money, it is advisable **to not have an account at that bank or any branch of that bank.**

**DO YOU HAVE MONEY IN A CREDIT UNION?**

Credit Unions engender a different set of problems. Many credit unions will have the member/borrower unwittingly execute an agreement to "pledge their shares" as collateral for a loan, cash advance, overdraft protection or even a Visa or MasterCard. This means that you may not be able to withdraw your money from a credit union if you owe your credit union money when you file. Additionally, you may find your credit union privileges suspended or cancelled *and* have your accounts *frozen* as well. You must read all documents or supply them to this office to determine if you have this problem. It is suggested that all funds be withdrawn from credit unions if you owe a debt to one.

**Credit Counseling/Financial Management:** There is now a court required credit counseling session. This session is a prerequisite to your filing bankruptcy. This is the first of a two-course program that all debtors must complete. The first is required to file; the second, a financial management course, is required to obtain a discharge.

Credit counseling can be done in person, over the phone or through the internet. The cost is usually between \$30 -\$80. You may be offered a credit report at the same time. It is recommended that you obtain one. When you complete the course (in about 90 minutes) the counseling company will issue a certificate that states that you took the course and you will be ready to file.


The next and final course is a financial management course. **This runs about \$70. This is required to obtain a discharge.** You must complete this course before the discharge date. It is very strongly recommended that you take this final course immediately after the creditor's meeting, *or even before it.*

**What happens when the case is filed (the automatic stay)?** If this is the first time you are filing, the court will automatically enter an order staying<sup>9</sup> further action by creditors to collect or enforce in any way, including by way of litigation, your obligations to them. This means that lawsuits against you are stayed, phone calls to you must stop and no action at all to collect money from you may be taken. If this is not the first time you are filing, the stay may not be "automatic." You may need to ask the court to continue the stay past 30 days, or even to impose a stay in the first place. This is dependent upon the number of prior filings and the timing of them. You will need to raise this subject and inquire about it. You will need to truthfully disclose your prior filings before we begin your case.

**If you have written a check that has overdrawn your account (NSF checks).** Bad checks are not covered by bankruptcy. In fact, bad checks are a violation of the PA Crimes Code. Persons writing bad checks are subject to fines, costs, restitution. You may even be jailed. *Filing a bankruptcy will not protect you from criminal prosecution.*

### How Long Will Bankruptcy Stay on My Credit Report?

The results of your bankruptcy case will be part of your credit record for ten (10) years. The ten years are counted from the date you filed your bankruptcy. This does not mean you can't get a house, a car, a loan, or a credit card for ten years. In fact, you can probably get credit even before your bankruptcy is over! The question is, how much interest and fees will you have to pay? And, can you afford your monthly payments, so you don't begin a new cycle of painful financial problems. Debts discharged in your bankruptcy should be listed on your credit report as having a zero balance, meaning you do not own anything on the debt. Debts incorrectly reported as having a balance owed will negatively affect your credit score and make it more difficult to get credit. You should check your credit report after your bankruptcy discharge and file a dispute with the credit reporting agency if this information is not correct

 **When should I file?** In the State of Pennsylvania, it is possible, at present, to stop a sheriff's sale *before* it takes place, and cure your mortgage arrears in a Chapter 13 Plan. This does not mean you should wait for a sheriff's sale. On the contrary, you should not wait for several reasons:

- The longer you wait, the greater your chances are of missing a critical deadline.
- The longer you wait, the higher the fees and costs will be to cure the arrears.
- The longer you wait, the more mortgage payments you will miss; consequently your bankruptcy plan

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<sup>9</sup>*In the event you file bankruptcy, and a creditor continues to harass, bill or call you with the purpose of collecting the money you owe that creditor, report this to me at once. I have been very successful in prosecuting these offenses to the financial benefit of my clients. In the event that a stay violation motion is brought the legal fee is generally 50% of the amount recovered or actual legal fees awarded, whichever is greater. Typical violations net clients \$500 or more, after legal fees, depending of the violation type. This in no way warrants the amount to be recovered, which may be zero. In that case, you would be charged a legal fee of zero.*

payment will be higher.

- The law may change.

Note that a *judgment* is not a sheriff sale. The judgment comes approximately 20 days after service of the complaint, unless you answer it. You will need a lawyer to do so. No answer is required if you file a bankruptcy. Filing means filing with the court. It does not mean starting your case in this office.

Therefore, the earlier you file, the more likely it will be that you successfully save your home.

### **Problem: Creditors harassing you or your family:**

Filing a Chapter 13 acts as a stay (which means an Order of the court preventing this) of ALL creditor activity, including all collection action. This includes, suits, phone calls, letters, "friendly reminders" of indebtedness or visits from bill collectors. **IF YOU RECEIVE ANY DOCUMENTS OR TELEPHONE CALLS FROM YOUR CREDITORS (EXCEPTING ORDINARY BILLINGS) REFER THEM TO ME AT ONCE.** This includes legal papers, of course. Please note that it is the *Bankruptcy Court* that notifies your creditor. Therefore, just because you have filed bankruptcy, it does not mean that all your creditors will know immediately. It may take a few weeks for them to learn of the filing through the court. If a particular creditor is getting on your nerves, let me know and I will contact them. The harassment should then cease. If it does not, you may have the right to bring legal action against them.

Federal law has been greatly expanded in this area. This law, known as the Fair Debt Collection Practices Act ("FDCPA") gives you specific legal rights to sue creditors who threaten or harass you, call you at off-hours, or make false representations to you including saying that they are going to attach your wages (illegal in Pennsylvania), sue or bring any kind of legal action when they are not<sup>10</sup>. After I am retained, no creditor may contact you without your permission after they are advised that I represent you. You must first say that I am representing you and that they should contact me. Give them my telephone number. If the creditor contacts you by any means (phone, letter, personal contact) again, NOTIFY THIS OFFICE AT ONCE. You may have a right of action. Also, each contact that a creditor makes must contain words to the effect that: "I am \_\_\_\_\_. I am a debt collector representing \_\_\_\_\_ (creditor). Information obtained during the course of this call will be used for the purpose of collecting the debt. If the creditor has not been advising you as above, you may have a right to sue.

When you come to my office, bring your letters attempting to collect from you. They too must contain warnings such as:

*This is an attempt to collect a debt. Any information obtained will be used for that purpose. Unless within 30 days of your receipt of this notice, you notify us that you dispute the validity of this debt, it will be assumed to be correct. If you notify this office within thirty days that you dispute the validity of the debt, we will obtain verification of the debt or a copy of the judgment. If you request it within 30 days, we will provide you with the name and address of the original creditor (if different from the current creditor).*

If the letter does not state the above, or words similar or close to the above, you may also have a right of action. We should speak about this.

Lawsuits under FDCPA allow for counsel fees, damages, and costs. You should be diligent in protecting your rights. The statute of limitations for bring such actions is only one year, so don't wait to bring up the situation to me.

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<sup>10</sup>Some creditors have gone so far as to threaten arrest, jail, or harm to loved ones, including informing friends and work associates of the debtor's financial embarrassment. They often threaten wage attachment which is **generally not permitted** in the State of Pennsylvania. Any threat of this nature is a grievous one and should be brought to my attention immediately.



## **What about the electric and other utility company?**

You should be aware that Philadelphia Electric Co. (PECO) or your local electric company, may request a deposit from you for continued service. This deposit is usually in the amount of two times your average monthly bill. If you do not owe money to PECO, let me know when you receive their letter. Often, I can get PECO to waive this deposit, if you owe PECO Energy no prior bill. I cannot make PECO waive the deposit if you owe a PECO Energy a balance that you will discharge. Please be aware that continued non-payment of your electric bill after you file will result in electrical shutoff without the opportunity to make payment arrangements.

Please note that other companies, including your cable company as well as your gas company may also require deposits. I know, for example, that Suburban Cable charges three month's charges as a deposit for continued service.



## **What about my credit record?**

*Fact.* Bankruptcy will hurt your ability to obtain credit for some time to come. That you have filed a chapter 13 will appear on your credit record for ten years. Generally, the best (and probably the only) way to get good credit is to pay your bills, or at least the minimum amount due, when they become due. A chapter 13 will be listed on your credit record as just that; a chapter 13 bankruptcy. Your creditors may also be able to see if you completed your plan successfully, which is certainly to your advantage.

Some people may be fortunate enough to find a creditor willing to overlook their bankruptcy. This may or may not be you; the question is left entirely up to the individual creditor. By the way, the bankruptcy trustee will require you to cut your credit cards in half and return them to the creditors. **YOU MAY NOT CONTRACT FOR CREDIT WHILE THIS CASE IS PENDING!**



## **Bankruptcy and Motor Vehicle Purchase/Leases**

Besides affecting your credit, filing a chapter 13 may impair your ability to purchase or lease a motor vehicle. Many motor vehicle finance companies will not lease, re-lease, or finance a car while a bankruptcy is open. Perhaps you have heard commercials saying "all bankruptcies must be discharged." Since your chapter 13 will be open for at least three years in most cases, you may find it difficult to obtain a new vehicle. The reason is that many finance companies erroneously feel that the debtor can add their debt to the chapter 13 case after it is filed. Although this is not true (except for debts that preceded the bankruptcy filing), many companies still will not be interested in your business. You should keep this in mind if your car is in imminent need of replacement.

If you wish to purchase a vehicle and finance it while you are in bankruptcy, you may, but you will first need the approval of the trustee. This can be obtained without too much problem, but sometimes the trustee may require a confirmed plan. See me if you plan a vehicle purchase.

It has come to our attention that debtors with excessive vehicle payments (in excess of \$400 a month) may not be able to get their plans confirmed unless the payments to the vehicle are lowered. This is because a debtor may not buy or keep an expensive vehicle at the expense of the other creditors. This does not apply to cases filed where the debtors are only trying to cure mortgage arrearages. If your vehicle payment is greater than \$400, be sure to mention this.

## **Plan Payments, Plan Modifications & Dismissal for Non-payment:**

In order to have a successful chapter 13 case, you must pay the plan faithfully. In no event, ever, unless you are specifically advised to do so, are you to stop paying the trustee. There are no payment holidays, no free months. Payments must begin within 30 days of your filing date, e.g. you file on October 15, 2006 Your payments must begin on or before November 14, 2006 (October has 31 days).

I will tell you the amount of your plan payment. If you have any questions as to the amount, refer to your plan itself, or call me. If you miss one or two consecutive payments, your case is subject to dismissal. Please note that we may change your plan without your signature in the event that we need to make the plan confirmable, e.g. to cover excess claims of creditors that you may not have anticipated. We may also increase your plan to cover attorney's fees, if they are due us. You will be mailed a copy of the changed plan. If you do not approve it, tell us and we will withdraw it.



You may wish to request a wage attachment. If you do, the payments will come directly from your pay and you will not have to worry about payments, as long as your employer is making them. Of course, if your employer stops making payments for any reason, it is your responsibility to continue them. By the way, your first plan payment will be due the first full month after you file your bankruptcy. Retain your money order receipts as proof of payment.

If you miss plan payments your case will be dismissed. If your case is dismissed, you may ask that the court reinstate the case. I will bill you for this service. Your legal fee will be a minimum of 2 hours at the agreed rate. If your case is reinstated, you will be expected to come current immediately, for all the time you lost. That is, the court will vacate the dismissal order (make it a nullity) and reinstate your case without extending the time for you to complete it. Since some time passed while the case was dismissed, you will need to make that time up. You will still need to end your case within the maximum 60 months and so you will need to make up all payments, even payments for the time your case was inactive. This is because there are no non-payment months, and all cases must end within 60 months.

## Refinancing of your home

Please be advised that we do not recommend companies to you for refinancing purposes. We believe this creates a conflict of interest. Be very wary of companies attempting to “pay off your bankruptcy” and get you cash. More often than not, such companies are being less than honest with you regarding the terms, fees, points and amount of savings (usually, the savings are negative!). Also, be aware that you must be a chapter 13 for at least 36 months before you can “pay it off.” Most refinance companies will not tell you this, probably because they have no idea. *It is rarely advantageous to try to “pay off” a confirmed plan.* Having a confirmed plan is probably the strongest position a debtor can be in legally. There is no free lunch, and “refi” companies are looking for their up-front fees and points. We like to look at this as a type of bribe to get a loan. This is not something that the vast majority of debtors need!

## What exactly is expected of me in this case?

The following are among the most important obligations you have in a chapter 13 case:

1. Be truthful to all authorities involved, including myself. Lying in a bankruptcy proceeding is a federal crime and is punishable as such. It is often the case that a debtor can accomplish better results by truthfully disclosing unfavorable facts than by lying about them.
2. Provide to attorney a complete list of debts, account numbers, names and addresses<sup>11</sup>.
3. Attend court when directed to do so. Your court appearances will be minimal. Most debtors only appear one time. I will explain more about this later in the case.
4. **PAY YOUR MORTGAGE!** You may have been told of this obligation, but it cannot be stressed enough. Current monthly mortgage payments must be maintained. Payments must commence with the payment first due after date of the filing of your case. Pay the regular monthly amount to your mortgage company unless you are instructed to do otherwise. Should payments be refused by your mortgage company, report this fact to me at once. *You are never excused from making current monthly mortgage payments.* Your failure to comply with this requirement will eventually cost you your home. Be sure to retain your canceled checks as proof of payment. It is usually a good idea to enclose a copy of your bankruptcy petition with your first check to your mortgage company as proof of the filing of this case. They will need to know that you are in a chapter 13 case in order to begin accepting payments again.
5. N.B. If you do not pay your mortgage payments (post-petition) and the mortgage company gets relief from the stay (is allowed to proceed with or commence a foreclosure), you are not allowed to just dismiss your case and start over. If you dismiss your case after a motion for stay relief is filed, then you must wait 180 days to refile. If the **trustee** dismisses your case, then the 180 day period is not applicable. Therefore, it is sometimes better to consider dismissing

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<sup>11</sup>IMPORTANT: You are responsible to supply this office with a list of not only the names of all creditors, but the addresses and account numbers. We do not provide a creditor address finding service unless otherwise agreed in writing. The addresses you list for the creditors, is not generally the *payment or billing* address; the proper address is the correspondence address. If you list the payment address, the creditor may not get notice of this case and may continue to harass you.

your case yourself if you get behind in your mortgage. There is no way to know exactly when a motion for stay relief will be filed by the mortgage company. It is best to stay current.

6. **Pay your car payment!** If you fail to keep this current, your car is subject to repossession after relief from the stay is obtained. *You must also keep your car fully insured.*

7. Obey all other orders of the Bankruptcy Court.



### **Now that I have filed, what's the status of my case?**

After you have filed, our office can obtain a case report over the internet at any time. You can get a print-out of your case status simply by calling us. If you have an internet connection, this case report can even be emailed to you through this office. This is a free service we are happy to afford you, however, please keep in mind that email is not necessarily private, therefore, there is a risk that your affairs may be come known to third parties.

I haven't filed any tax returns recently or missed last year's, will this be a problem?

Yes. A big problem. New legislation may require you to file your returns before you file a bankruptcy case, but under the present law, you can file after you file your bankruptcy. This applies to state and federal. If you have missed returns, this office can file the returns for you for an additional fee. If you want to file them yourself, make sure you mail them to the correct places. Do not send your federal returns to the IRS Service Center. Instead, late returns for the Internal Revenue must be sent to:

Internal Revenue Service  
Compliance Service IE:3:1  
Insolvency Section I  
Attn: C Bishop  
600 Arch St., Rm 5200  
Philadelphia PA 19106-1616  
Fax 215-861-1620 Ms. Bishop 215-861-1510



### **★ What happens when I complete my Chapter 13 obligations? The effect of a bankruptcy discharge.**

After you have completed payments under the plan, and if no objections to discharge are filed, you will be receiving your discharge in bankruptcy. You are not be required to appear in court to get your discharge order. The discharge, as you know, "cancels" certain debts that you had at the time the bankruptcy was filed. It does not affect the lien of secured claims, however, it will cancel the personal liability only, on those debts. This means that if you owe money on the secured debt after you receive the chapter 13 discharge, your collateral is still subject to repossession, unless you remain current with that creditor.

It is very important, therefore, that you keep me abreast of your plan status. At the very least, I **must** be informed when you have made your last plan payment. When I am advised that the last plan payment has been made, I will move the court, without further cost to you, for a discharge. You can verify this by telephoning the trustee at **215-627-1377**. Have your case number ready when you phone.

If no objections to discharge are filed, you can expect to receive an order, signed by the Judge, in the mail after your completion of the plan. When you receive the discharge order, you should put it in a safe place with your other valuable and important papers because you may have to show it to creditors later.

You must understand several things about your bankruptcy discharge:

1. **ONLY DEBTS LISTED ON YOUR BANKRUPTCY SCHEDULES can be discharged.** If you have a debt that you owed at the time that the bankruptcy was filed, but do not have it listed, it will not be discharged. If you have such a debt, speak with me immediately and I will file amendments to the schedules and amend the plan, if required.

**2. ONLY DEBTS OWED FROM THE PERIOD BEFORE THE BANKRUPTCY WAS FILED WILL BE DISCHARGED.** This bankruptcy discharge will not discharge debts that you became obligated to pay during the bankruptcy. Your discharge will only cover your personal obligation to pay debts. It will not cover co-signers on your debts and it will have no effect on most security interests, like home mortgages and encumbrances on motor vehicles.

3. If you want to **REAFFIRM A DEBT, AVOID A LIEN, OR REDEEM PROPERTY**, you must do so **BEFORE THE CONFIRMATION ORDER IS SIGNED**. Therefore, you should tell me now if you want to do this. An explanation is in order:

(a) Certain liens (judgments, levies, non-purchase-money interests in household goods) can be eliminated entirely by asking the court to do so. There is an additional fee for this service. If you are interested in this service, let me know and I will quote a fee.

(b) Other liens, like mortgages, motor vehicle encumbrances, and purchase money security in other goods probably cannot be eliminated, but in certain cases, they can be. If you are interested in this service, please raise the issue as soon as possible.

(c) If you think that any of these agreements or motions should be filed in your case, or if you want additional information, contact me.

4. Remember: You can pay anybody you want after your discharge however, few debtors do. Depending on the length of your plan, you may not receive a discharge for 3 to 5 years.

5. The bankruptcy code prohibits the discharge of certain types of debts. Upon your request, I can describe to you in detail the types of debts that cannot be discharged. These debts include, but are not limited to:

(a) Recent taxes on real estate (approximately two years old) or income (approximately three years old). Furthermore, your income taxes may not be dischargeable even if they are more than three years old in certain circumstances. These are, but are not limited to the following: (i) If you did not file a return, or (ii) if you did not file a return *on time*.

(b) Educational loans, unless you file a complaint in the bankruptcy court or perhaps some other court claiming undue hardship as a result of paying such a loan.

(c) Criminal fines, restitution and costs.

(d) Child support.

(e) Some debts arising out of the operation of a motor vehicle while intoxicated.

(f) If a creditor files a complaint within 60 days of your hearing and succeeds in proving that it has a debt arising from fraud, breach of fiduciary duty or willful injuries on your part.

6. It is important that you know the significance of your discharge order. If a debt is discharged, that creditor cannot force you to pay that particular debt. This means that the creditors cannot legally file an action against you (for that debt), continue an action that it had filed before the bankruptcy, send you collection letters or harass you in any other way. If this type of harassment occurs, you should contact me immediately, and I may be able to sue the creditor.

**IMPORTANT: If you fail to complete your case and the bankruptcy is dismissed, for non-payment or otherwise, YOU MAY NOT BE ABLE TO REFILE AND OBTAIN A NEW (AUTOMATIC) STAY. This means that refiling may not save your home. This is effective for refilings within one year of the dismissal of the previous case**

This information sheet is intended only as a summary of certain points of interest regarding your bankruptcy discharge. The terms used in this information sheet are intended to be simple so that they can be understood, the law is much more detailed. This information therefore is not "the law" and is only a summary designed to help you understand this phase of your bankruptcy.

Each bankruptcy is unique. Your case may have special facts making further discussion necessary. Do not be afraid to raise any issue if you feel uneasy about it. I will be pleased to answer any question you may have.

Special note: *No one in my office is authorized to render a legal opinion in your case except me. All legal questions must be directed to me alone.* Clerical matters may be delegated to my staff.

File/Document Retention Policy: This office retains bankruptcy files for five years. Files may not be

originals, but may be in scanned or electronic format. After that time the file is usually destroyed. You may have the file if you wish after the conclusion of the case. If you wish copies from the file after the discharge, the first copy will be free. After the first copy subsequent to discharge, a small copy and retrieval charge may be requested. Bills, collection letters, demands, etc *are not retained*. If you want your bills back, tell us at the first meeting.

**Notice re bills, demand letters and other documents evidencing debt which are left with this office:** Although most people never want to see their bills again, you may wish them returned. If you do, tell us that you want the bills saved for you. If you do not tell us at the time of signing or within 10 days thereafter, they may be destroyed by shredding without further notice to you.

*Lawrence S. Rubin, Attorney*

**610-565-6660**

Fax 610-565-1912

email: [lrubin@pennlawyer.com](mailto:lrubin@pennlawyer.com)

For other free information see: **www.pennlawyer.com**

I hereby certify that the following is a list of bankruptcy cases I have filed previously: If none, state none:

Case #	Date filed	Disposition (discharged/dismissed/withdrawn)
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Initial please

The following is a complete list of tax, upset, judicial, sheriff's sales and mortgage foreclosures I am aware of at present (do not leave blank, if none, state "none"):

The following is a complete list of shutoff notices I have received or know about from utilities:

The following is a list of vehicles that have been repossessed within the prior six months:

Date of repo: \_\_\_\_\_

If I gave you a personal check, I certify that there are funds in my account to cover this check at this moment and that funds will remain in my account to cover the check when it is presented for payment. \_\_\_\_\_(initials)

I have a car payment in excess of \$400 a month. \_\_\_yes \_\_\_no

Do you owe any money to a bank or credit union where you have an account? \_\_\_\_\_. **If you answered "yes," you tell us at the first meeting!**

Agreed and understood: \_\_\_\_\_, Client.

Agreed and understood: \_\_\_\_\_, Client/spouse.

Address:

Phone: home \_\_\_\_\_ work \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address \_\_\_\_\_@\_\_\_\_\_ (if applicable)

**Make money order payable and mail plan payments to\*:**

William Miller, Chapter 13 Trustee  
POB 1799  
Memphis, TN 38101-1799  
215-627-1377

\*Note: Approx. 1/4 of the cases will be assigned to  
Frederick Reigle, Chapter 13 Trustee  
P.O. Box 680  
Memphis, TN 38101-0680

Certified checks or money orders only

Were you referred by anyone? If so, by whom? \_\_\_\_\_ Yellow Pages \_\_\_\_\_  
Are you responding to an ad? Where? \_\_\_\_\_

## Quick Summary of Chapter 13 Cases

A successful bankruptcy requires your attention to these important matters:

1. **You must pay all your mortgage payments commencing the next full month after you file.** Plan payments do not stop just because there is an objection or plan change. You are responsible to pay your plan regardless of the fact that the case is not confirmed, or that a creditor has objected. This includes home equity loan payments. You do not need to pay the mortgage arrears, only the regular monthly payments. You pay your mortgage directly to the mortgagee (the mortgage holder). If you fail to pay your mortgage while in chapter 13 a *motion for relief* may be filed by your mortgage company. In this event you will be billed a minimum of one hour for the additional services. *Note that you may not receive a payment book.*

2. **You must pay the trustee every month commencing the month you file.** Your payments must be in the form of certified check or money order. I recommend a money order. Certified checks can cost \$8 to \$15; money orders run about \$1 or less.

**Payments for the trustee must be made to the trustee only, not this office. This office cannot be responsible for getting payments to the trustee. Payments made at this office for the trustee will be returned to you and not credited. If your case is subject to a motion to dismiss for non-payment and you make a payment at this office, your payment will be returned and your case will probably be dismissed. Please make trustee payments payable to the trustee only and not to this office.**

**IMPORTANT: IF YOU SIGN OFF ON THE SCHEDULES, WE WILL ASSUME THAT THE LIST OF CREDITORS ON THE FORMS IS CORRECT. NO CREDITOR IS TO BE OMITTED FOR ANY REASON, NO MATTER WHAT ANYONE, EXCEPT YOUR ATTORNEY, TELLS YOU. NO EMPLOYEE OF THIS OFFICE IS PERMITTED TO ADVISE YOU TO LEAVE OFF A CREDITOR.**

**IMPORTANT CHAPTER 13 PLAN INFORMATION: Additionally, note that all plan payments are subject to change before confirmation by the court. From time to time, you should check with this office to see if the amount has changed. You should also verify the confirmed plan amount at the time the court confirms your plan to verify that you are paying the correct amount.**

3. **You must** provide this office with 2 years tax returns when you file. This must be provided to the trustee (we will do this) at least 7 days before your meeting with him. If you do not provide tax returns, your case will be dismissed.

4. If you are financing a vehicle, **you must maintain direct payments, on time, to that creditor.** Bankruptcy almost never includes your car payment in the chapter 13 plan. Only the arrears if any, are included in the plan. You must always keep valid insurance sufficient to satisfy your vehicle finance company. This office is not responsible for, nor to we contact insurance agents on your behalf to obtain or verify insurance. You must provide proof of insurance by a declarations page or insurance ID card.

5. At the time of the meeting of creditors, the trustee will request you to provide him with copies of documents. If you fail to do this, the meeting will be rescheduled and you will have to lose more time from work. You will also incur additions fees for my re-appearance. Please make sure you bring all required documents and have an extra copy that the trustee can keep.

6. You must file all your tax returns, especially "trust fund" taxes (i.e. Form 941 taxes) if you have not already done so. The Internal Revenue and state taxing authorities will know you have filed and object to confirmation of your plan if you did not file your returns. I can prepare returns but there will be additional legal fees to do so.

7. If you fail to complete your case and the bankruptcy is dismissed, for non-payment or otherwise, YOU MAY NOT BE ABLE TO REFILE AND OBTAIN A NEW (AUTOMATIC) STAY. This means that refiling may not save your home. This is effective for refilings within one year of the dismissal of the previous case

8. REMEMBER: THE CREDIT COUNSELING COURSE IS NOT THE ONLY COURSE YOU NEED TO OBTAIN A DISCHARGE. A FINANCIAL MANAGEMENT COURSE MUST BE COMPLETED BEFORE YOUR FINAL PAYMENT UNDER YOUR CHAPTER 13 PLAN. IF YOU DO NOT COMPLETE THIS COURSE, **YOU WILL NOT RECEIVE A DISCHARGE.**

9. Do not wait for a mortgage/car loan coupon book! Do not wait to be billed. You will probably not get a coupon book and you will not be billed. You simply must make your payments on time.

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\* 1. Proof of identity including **your original driver's license and social security card.**

2. Proof of your income including proof of receipt of child support (pay check stubs, court order for support etc.),

3. Proof of real property value (if any), your most recent tax bill showing assessment is acceptable;

4. Proof of outstanding balance on secured debt (if applicable - mortgages, car loans)

5. Proof of insurance for all vehicles owned and for your home (fire insurance or proof that the same is being paid through your mortgage payment)

6. IRA, stock and mutual fund accounts, annuities, savings account statements (if any)

7. Copies of lawsuit complaints for pending matters

8. If your house is presently being sold, copies of listing agreements

9. Copy of your most recent tax return and any other items requested by the trustee.

**IMPORTANT:** When you sign your bankruptcy petition and schedules, you are telling your attorney and the court that the papers you sign are true, complete and correct. If a creditor is missing, an address is wrong or there is a typo, you should tell us at before the case is filed. Do not wait for the creditors meeting! **You must verify that:**

1. **Your name, address and social security number are correct.**
2. **The income and expenses are correct.**
3. **You have included all creditors.**
4. **Your income is correct; your expenses are accurate and not unreasonable.**
4. **All other schedules & forms are TRUE and CORRECT.**

**IMPORTANT PLAN INFORMATION:** Note that all plan payments are subject to change before confirmation by the court. From time to time, you should check with this office to see if the amount has changed. You should also verify the confirmed plan amount at the time the court confirms your plan to verify that you are paying the correct amount.

Should you be in the position where you simply do not have the funds to pay your mortgage and the trustee, you should pay your mortgage, always. Of course, "mortgage" means all home equity loans as well.

I understand the above and agree to my lawyer's advice. I have reviewed or agree to review my schedules and petition before it is filed. I will verify the following important items:

Client \_\_\_\_\_

Client \_\_\_\_\_

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES  
FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER

**Note:** This Notice and the Statement are required by legislation adopted by Congress in 2005, after intense lobbying by the credit industry. In our 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 the law, you are entitled to debt relief. We can guide you through all the requirements of filing bankruptcy, so long as you provide us accurate and complete information.

The purposes of this Notice and The Statement Mandated by Section 527(b) of the Bankruptcy Code, which you have been provided as a separate document are to make you aware of some of your obligation should you file bankruptcy.

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.

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 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.

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.

I acknowledge receipt of the foregoing statement and understand it. I realized that if I have any questions about the above statement, I may phone my attorney and obtain further information without charge.

1. All information that you are required to provide with your bankruptcy petition and thereafter in your case is required to be complete, accurate, and truthful.
2. All your assets and all your liabilities are required to be completely and accurately disclosed in the documents filed to commence your case.
3. The value of each asset which is secured by a lien on such asset must be stated as the replacement value of such asset after reasonable inquiry to establish such value. The replacement value means the replacement value of the date of the filing of the bankruptcy petition 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 property of that kind considering the age and condition of the property at the time value as determined.
4. After reasonable inquiry you are required to state your current monthly income. Current monthly income is described on the attached of Terms and Definitions Addendum.
5. After reasonable inquiry you are required to state the amounts set out in section 707(b)(2) of the Bankruptcy Code. Those amounts are explained in the attached terms and Definitions Addendum.
6. In a case under Chapter 13, after reasonable inquiry, you are required to state your disposable income determined in accordance with section 707(b)(2) of the Bankruptcy Code. Disposable income is explained on the attached addendum of Terms and Definitions. -
7. Information that you provide during your case may be audited pursuant to the provisions of the Bankruptcy Code. Your failure to provide information may result in dismissal of your case or other sanctions, including criminal sanctions.

\_\_\_\_\_ date

\_\_\_\_\_ date



Power of Attorney to Modify Plan

I hereby grant my attorney exclusive authority, and agree to hold him harmless for any plan amendment he makes to my chapter 13 plan for purposes of covering bona fide creditor's claims, or for my attorney's fees. I understand that I will be forwarded a copy of the amended plan and make my objections known, if any, within 10 days. In the event I do object to the amended plan, I may request my attorney to withdraw the amended plan, and he will do so. In the event the plan is withdrawn at my request, I understand that I run the risk of the plan not being feasible and my case being dismissed, except where the plan was increased to cover counsel fees only.

I understand I can withdraw this power of attorney on written notice.

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Dated: \_\_\_\_\_

## **IMPORTANT NOTICE**

In order to receive a discharge, all chapter 13 debtors **must** file, prior to completing the plan, a certificate that the debtor has completed a personal financial management course.

Attached to that certification must be the certification from the approved agency that provided that service. This is in addition to the initial credit counseling course.

Please note: If you do not complete this course you will not receive a discharge and you will owe all of your debts again.

This is very important, please do not wait to take the second (financial management course). It is suggested that all clients take the second course within the first plan-year.

All required instructional courses can be found here:  
<http://www.usdoj.gov/ust/eo/bapcpa/ccde/index.htm>

## Pre-Filing Checklist

- ✓ Have you listed *all* creditors?
- ✓ Have you provided us with the *proper* (see below for what proper means) addresses and account numbers for your creditors?\*
- ✓ Have you provided us with 60 days of paycheck stubs (pay advices) from each person filing bankruptcy?
- ✓ Have you proved average gross income for past 6 months (paycheck stubs are ok for this)?
- ✓ Have you provided the attorney with at least the last one year's complete tax returns?
- ✓ Have you taken and completed the credit counseling?
- ✓ Do you understand that you should complete the final course (financial management) promptly?
- ✓ Did you really read and correct the schedules, or did you just glance at them and assume they were correct?
- ✓ Did you list all other bankruptcy filings regardless of whether they were withdrawn or dismissed?
- ✓ Is *all* of your property listed?
- ✓ Have you completed credit counseling? Have you made the final call?
- ✓ Have you provided your attorney with the credit counseling certificate?

Also: You must have these items on hand; they are subject to future possible audit:

- (1) the six months of income,
- (2) 12 month bank statements,
- (3) divorce decree, and
- (4) a packet of documents like 2-4 years of tax returns, titles to cars and deeds.

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**IMPORTANT:** You are responsible to supply this office with a list of not only the names of all creditors, but the addresses and account numbers. We do not provide a creditor address finding service unless otherwise agreed in writing. The addresses you list for the creditors, **must not be the billing address**; the proper address is the **correspondence address**. If you list the billing address, the creditor may not get notice of this case and may continue to harass you.

**WHAT IS NEEDED AT YOUR INITIAL OFFICE VISIT  
WHERE TO GET A FREE CREDIT REPORT**

- **IDENTIFICATION.** The new bankruptcy law requires that you provide proof that you are who you say you are. Please bring with you to the initial office visit an official photo ID (i.e., a driver's license) and your Social Security card.
- **PROOF OF INCOME.** The new bankruptcy law requires that you provide proof of your average monthly gross income from all sources for the last 6 months beginning with the first month before your scheduled office visit. Please bring with you to the initial office visit all available pay stubs or other records of income for the past seven months to include records or receipts from employment income, tips, bonuses, commissions, child support, spousal support, support from someone paying or sharing your living expenses, rental income, unemployment compensation, social security, retirement, pension, interest, dividends, or income from any other source. If you are filing with a spouse then you will need to provide this information for both you and your spouse.
- **FREE CREDIT REPORT.** A new Federal law makes you eligible to receive a free credit report annually from each of the three credit reporting agencies. Please request your free credit report online by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com). You may also request your free credit report by mail or by phone. Mail your request to Annual Credit Report Service, PO Box 105281, Atlanta, GA 30348-5281 or phone 1-877-322-8228 toll free.
- **DEDUCTIONS TO INCOME.** The new bankruptcy law requires that you provide proof of any deductions from your income to include federal and state taxes, retirement plan contributions, retirement plan loan repayments, insurance, court-ordered payments, garnishments, and all other deductions whether voluntary or involuntary. If you have your own business, you must provide a complete listing of all of your monthly business expenses including a year-to-date or recent monthly Profit & Loss Statement for your business, if possible. Please bring with you to the initial office visit as much documentation as you have available for the last seven months.
- **BANKING RECORDS.** Please provide monthly statements from your bank, credit union, or other financial institution for the last seven months.
- **INCOME TAX RETURNS.** The new bankruptcy law requires that you provide proof of your annual gross income for the last 2 years and proof that you filed tax returns for these years. Please bring with you to the initial office visit copies of your filed income tax returns for the last 4 years. If have not filed any of these tax returns please begin that process as soon as possible, as we will not be able to file a bankruptcy until those tax returns are filed.
- **HOUSEHOLD EXPENSES.** The new bankruptcy law requires a listing of your monthly household expenses including those for mortgage or rent, utility services (electricity, gas, fuel oil, propane, water and sewage), telephone service, cable or satellite television service, home maintenance, food, clothing, laundry and dry cleaning, medical and dental, transportation, recreation, clubs, entertainment, charitable contributions, insurance (homeowner or renter, life, health, auto), taxes on property, alimony, maintenance, child support, etc. Please bring with you to the initial office visit as much documentation as you have available for the last seven months.
- **ACCOUNT STATEMENTS.** The new bankruptcy law requires a listing of all of your debts including those for credit cards, medical bills, personal loans, auto loans, furniture loans, jewelry loans, lawsuits, etc. Please bring with you to the initial office visit as much documentation as you have available for the last 90 days on all such debts.
- **PROPERTY DOCUMENTS.** The new bankruptcy law requires documentation of all contracts and security agreements including those for mortgages and leases, refinancing, transfers of ownership, time shares, stocks, car loans and leases, furniture rental and leases, jewelry loans, etc. Please bring with you to the initial office visit as much documentation as you have available for the last four years.
- **PROOF OF INSURANCE.** The new bankruptcy law requires proof of insurance on all property secured by a lien including homeowners insurance, automobile insurance, etc. Please bring with you to the initial office visit as much documentation as you have available.
- **DOMESTIC SUPPORT OBLIGATIONS** – If you are pay any child support, alimony, or support you need to bring all documents associated with such payments. You must provide some proof that you are current on these obligations and provide the name and address where those documents are required to be sent.
- **OTHER DOCUMENTS.** The production of other documents as required by the new bankruptcy law includes those for any bankruptcy you filed during the last eight years, a list of all of your addresses for the last three years, documentation of any felony conviction, money or property received from a trust or probate estate, Educational IRAs or tuition programs, etc.

**Record of Trustee Payments**

Lawrence S. Rubin, Attorney

www.pennlawyer.com

610-565-6660

Fax 610-565-1912

lrubin@pennlawyer.com

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