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BANKRUPTCY INFORMATION PACKET

You have requested information about bankruptcy so that you can have a meeting with my office to determine whether you can file a case.

Please call my office to confirm that you are coming and when you would like to meet with me. I usually can see you the same day or following day if you like.

To be prepared, you would want to know that in order to file a case you must give to me:

1) **Your last TWO years of federal income TAX RETURNS** (IRS 1040 Form). The "return" is at least two pages (and sometimes additional schedules are attached), you should also have your W-2 form attached, especially if it is joint return and each husband and wife had their own income. Just the W-2 forms, alone, are not enough, though.

2) **Your last TWO MONTHS of pay STUBS** (i.e. If you are paid bi-weekly, that would be 4 stubs) or proof of any other kind of income you have had (unemployment, child support, social security, etc.) And, you will need to tell me about all income you have had for the past six months.

3) **CREDIT COUNSELING CERTIFICATE**. You need to contact a credit counselor and get a certificate proving that you have had your required interview with them (and paid them the fee they charge). Try online for \$15 **AccessCounseling.com** (attorney code: **MM12594**) or call **1-800-205-9297** for immediate results. They can send your certificate directly to me if you request that they do so, at email mcloughlin.law@gmail.com

4) **FILL OUT MY FORMS** as well as you are able, telling me who you are, where you work, what you own, what you make and spend monthly and who you owe. We can get your credit report for free when you are here. But you should make your own list of debts first, anyway. Feel free to send these filled out forms to me when you complete them, BEFORE your meeting with me, so I may be better prepared when we meet.

THERE IS NO CHARGE FOR THE FIRST CONSULTATION, but if you intend to retain my office we will discuss at that time the different types of bankruptcies, the different costs and payments plans available.

Call with any questions you may have. I look forward to meeting with you soon.

We have been filing bankruptcy for individuals for over 30 years in Southeast Michigan.

Visit our website at www.McLoughlinLaw.com

TYPES OF BANKRUPTCY, COSTS & FEES

After we have met and I have analyzed your situation, we can decide whether you would need to file a Chapter 7 or Chapter 13.

Briefly, **Chapter 7** is a simple case in which you show that you own no more property than the law allows (a certain amount of real estate, vehicles, personal items, pensions, etc.) and that you do not make more than your household expenses. In other words, show that you do not have excess property that could be sold by you to pay your debts and that you have no money left over after your customary living expenses to pay your debts. Mortgages and vehicle loans are kept, but you must be up-to-date in your payments with them and continue to pay on them. Some debts like student loans, child support, tickets, (some) taxes, cannot be canceled by Chapter 7.

Chapter 13 is a “payment plan” supervised by the Court in which you change your mortgage or vehicle payments to better suit your situation (catch up on missed payments if you are facing foreclosure or repossession), and you usually get a full or partial cancellation of other general debts. Whatever debts that have to be paid are consolidated into one payment to the court on each pay day for a certain number of months, between 36 and 60 months. Debts owed from a Divorce Judgment are not cancelled in Chapter 7, but can be canceled in Chapter 13 after you have paid “what you can afford.”

In either Chapter under Bankruptcy law, you get immediate protection from all creditors.

COSTS: In either case, you must get a credit counseling certificate BEFORE you can file a case \$15 whether single or joint. If filing a Chapter 7, you will also need to get a second certificate (Debtor Education), before you come to court as soon as possible once your case is filed. The Bankruptcy Court filing fees are \$306 for Chapter 7 and \$281 for Chapter 13 (the attorney collects the filing fee from you and pays it to the Court at the time of filing your case).

FEES: As your attorney I will charge a fee depending on your circumstances, somewhere between \$800 and \$1,000, for usual cases, in a Chapter 7. Those fees we agree on are paid either in full or partially, depending on your situation, before I file the case. The balance, if any, is paid before the case is over, usually 30 days after it has been filed. In Chapter 13 the attorney fees are usually around \$3,000, but those fees are typically paid to me by the Court out of the payments you are making in your case, although some funds may need to be paid directly to me before I file your case, again, depending on your particular situation. There can be other fees over the years that I would have to petition the Court for in order to receive funds, but again would be paid by the Court to me out of the payments you are making in your Chapter 13.