

BANKRUPTCY INTRODUCTION

PLEASE READ THIS FIRST!

CHECKLIST

You have taking the first step to a fresh start. You may be nervous about the process and you may feel bad about the fact that you are considering bankruptcy. Those feelings are certainly understandable. Please know that I will do everything I can to help you through this process and I think you will find that once you make the decision to file bankruptcy, a huge weight is lifted off of your shoulders. Suffering from ongoing stress, where you don't see a light at the end of the tunnel is bad for your health, bad for your job performance, bad for your marriage and relationships. It's time to move on with your life.

Dawn Cutaia, Esquire

Filing bankruptcy is a complicated process, but most of the work is done before the Petition is filed. It is very important that you read this Introduction Sheet closely- and in fact you should **read it a few times to make sure you understand it**. There are very specific instructions in this document and you will find answers to some of your questions as well.

Enclosed please find all of the paperwork I require in order to properly complete your petition. I promise you the paperwork really is the worst part. You might be tempted to not fill it out completely, but that will only delay your petition. Please try to complete all questions that you can and if you don't understand a question, leave it blank and I will review it with you when you come in.

Once you complete the paperwork, please contact us to schedule your pre-bankruptcy screening. The cost for the pre-bankruptcy screening is \$250 and that cost is applied towards your final bankruptcy fee. You can pay this fee with a check, cash or a debit card. This meeting will take about two hours and you may want to call the office now and speak with Jessica to schedule your appointment since I am usually booked about two weeks out. 717.846.7100 or via email: jessmacek@gmail.com

Remember, I really do need all of the following information from you (and again – I promise you this is the worst part):

Completed Questionnaire. You have been given a link to a website that will have the questionnaire you must complete. I have also sent you an email with the printed version of that questionnaire. You are NOT required to complete the printed version – only the online version. The printed copy is for your convenience. Here are some suggestions when completing the online questionnaire:

It is **not necessary to list your income**; I will get that from your pay stubs. I will need SEVEN full months of paystubs for all people in your household (see Number 1, below).

It is **not necessary to list your account numbers for credit cards**. However, please **list mortgage and car loan account numbers**.

It is **not necessary to list your creditors** because I will pull that information from your credit report. However, **it IS necessary to list any collection agencies or law firms**.

Debts do NOT include regular utility bills etc UNLESS you have a past due amount that you want to discharge. The normal monthly bills you pay (utilities etc.) must be listed under EXPENSES. Try looking through your online bank statements or check book register to see what your expenses have been each month for the last six months.

HOUSEHOLD GOODS: When you are listing your household goods, please follow these guidelines (prices are of course are just for example purposes only):

- A. List items by room. For example: Living Room: Couch (\$500), Table (\$100), Entertainment Center (\$200).
- B. List electronics separately, but they can be under the same heading. For example: Electronics: Laptop (\$200), Blackberry (\$50).
- C. Remember that the value for your household goods is GARAGE SALE value – not what you paid for them. Use your best guess for items that are not collectibles.
- D. If you have collectibles such as baseball cards, Longaberger baskets etc. you should go online to places such as EBay to get an idea of what they are worth if you are not sure.
- E. Small items can be listed together. For example: Small Appliances (\$300); CDs and DVDs (\$100); There is no need to list your toaster, mixer, bread maker etc.. There is no need to list each CD or DVD or book. Gardening Tools (\$100).

- F. General knickknacks around your house can be listed as a group, with one price. For example: General knickknacks: \$300.
- G. Don't forget things in your garage and shed.
- H. Don't forget cash in the bank, 401(k) and IRAs, property that is in the possession of someone else, but really belongs to you.
- I. You do NOT have to list property that belongs to your children.

CHECKLIST FOR YOUR FIRST APPOINTMENT

1. **Pay stubs** for the last **SEVEN** (7) FULL months for all people in your family and household who are working, including children and spouses and any other member in the household, even if they are not a blood relative, *IF those people are contributing to household expenses*. For example, if you have a teenage son who is working part-time and paying for his own gas and car insurance, I **don't** need his information.
2. **All of your bills**, including a recent mortgage statement and a statement for the balance on all cars and other secured debts. I need to know the **INTEREST RATE on your mortgages and car loans**, as well as the **number of MONTHS REMAINING on those loans**.
3. **A recent appraisal of your house if you have one** or any other documentation that you have regarding the value of your house if you have it, provided it is less than 2 years old. If you do not, don't worry about it. I can discuss it later if you should get one. Generally speaking if you believe you have more than \$20,000 worth of equity in your house, you should have an appraisal. I use Mark Saunders at 717-718-2146. Please tell him I sent you and be sure to tell him you are getting the appraisal for bankruptcy purposes.
4. **The Value of any Vehicles you own**, which can be obtained from Kelly's Blue Book (www.kbb.com) or NADA (www.nada.com) on line. Please print out the result. If you do not have access to a computer, please provide us with the year, make, model (exact model – so if it is an "LX" include those letters), the mileage and the condition (good, fair, poor). Please use "PRIVATE PARTY VALUE" if available. If not, use "Trade-In Value."
5. **Tax Returns for the last TWO years**. Not just W-2s but the actual returns. If you do not have them, please let us know immediately because we have to order them from the IRS and it takes 3-6 weeks to get them.

6. **Driver's License and Social Security Card.** I am required by law to examine your license and social security card or other photo ID. At some point prior to us filing your petition I will need to examine these two pieces of identification. If you do not have one or both, please let us know.
7. Please review all of the documents in this packet as they will provide you with important information regarding your rights under the new bankruptcy code.
8. Please visit our bankruptcy website, www.yorkbankruptcylaw.com for more information about bankruptcy and answers to some general questions. If you have questions about the questionnaire, please email Dawn Cutaia at dmcutaia@gmail.com or call at 717-846-7100 or 717-304-1841 (cell).

Credit Counseling:

BEFORE you File: Under the new bankruptcy law, passed in 2005, Debtors are **required** to take a credit counseling class PRIOR to filing bankruptcy. This class is offered through several companies, but I suggest using: <http://www.consumerbankruptcycounseling.info> which is **FREE**. It requires an Internet connection and there is NO technical support since the site is free.

If you do not have an Internet connection, you should take the class here: <http://www.cccsatl.org/bankruptcy.jsp> There is a fee for this course, but you can take it over the phone or the Internet, and you there is "technical" support. The FIRM CODE is: 2938

NOTE: this first certificate is good for six months and I recommend taking the class a few days before you meet with me, in case we decide that you need to file quickly. Especially if you are meeting with me at the end of the month or the last day of the month, it is a good idea to take the course before you meet with me.

AFTER You File: Under the new bankruptcy law, Debtors also must take a SECOND credit counseling class, called a Financial Management Class. You can take this class through CCCS of Atlanta, but the cost is \$50. You can also take it here: <http://www.nationalpersonalfinance.com/main.asp> for only \$14.99. Either place is acceptable.

The second course cannot be completed over the phone, only via the Internet or in person. If you do not have a computer you can use one in our office (via appointment only) or you can have a face to face session with a local agency. If you need a face to face session, please let us know.

What happens if you forget to take your second credit counseling class?

Your case will be dismissed WITHOUT a discharge. You MAY be permitted by the Court to re-open the case and file your certificate, but there is no guarantee the Court will permit that and there is a filing fee of \$240, which you will be required to pay before your case is opened.

When do you have to take the second counseling class?

You can take this class at any time after you file bankruptcy (i.e. the very next day if you want to). However, you MUST take this class within 45 days of your 341 Meeting of the Creditors or your case will be dismissed without a discharge. **Do not forget to take this second financial management class. Please put a note in your calendar once you receive the notice with the date and time of the 341 Meeting of the Creditors.**

Will You Have to Go to Court?

Yes. All debtors (and their attorneys) must attend the 341 Meeting of the Creditors. This is a hearing that is very informal – it is held in a conference room in front of a Trustee – not a judge. A trustee is an attorney appointed by the Court to review all of your paperwork and make a recommendation to the judge as to your petition.

Creditors almost never show up for this meeting and the creditors that do show up are usually small local creditors (your plumber) because they don't realize that it is not necessary for them to show up.

Please be advised you MUST BRING YOUR SOCIAL SECURITY CARD AND DRIVER'S LICENSE TO THE 341 MEETING OF THE CREDITORS. IF YOU DO NOT HAVE EITHER OF THESE DOCUMENTS PLEASE TELL US.

For Chapter 7 cases, the Meeting of the Creditors takes place at the York County Judicial Center 45 North George Street York. For Chapter 13 cases, the Meeting of the Creditors takes place at the Ronald Reagan Federal Building on Walnut Street in Harrisburg.

Please note that cell phones are not permitted in the York County Courthouse but they are permitted in the Federal Courthouse in Harrisburg.

IMPORTANT INFORMATION:

Once you have made the decision to file bankruptcy, you cannot use your credit cards – and you should not pay your credit cards either.

Do NOT transfer assets, sell assets, change ownership of assets (such as remove yourself from the title to a car) without first speaking with me.

Do NOT pay any debts, make any settlements with ANY creditor, including your mortgage company or car loan company.

If you have a loan owed to a family member, do NOT make payments on that loan, other than payments made in the ordinary course of your business (ex. The monthly amount due each month) until after you speak with me.

Do not make any large lump sum payments on any debts – especially to creditors who are family or friends.

The paperwork really is the worst part – but you are on your way to getting a fresh start!

Dawn M. Cutaia, Esquire

dmcutaia@gmail.com