

Re:

Name: _____

Case #: _____

GUIDELINES FOR CHAPTER 13 DEBTORS

INTRODUCTION: The following guidelines are provided as a tool to assist you in following the rules and regulations of the Bankruptcy Court while you are attempting to reorganize your debt in Chapter 13. Please write your name and case number in the spaces provided above. You will need to use that information whenever you call or write the Trustee's office.

YOUR ATTORNEY: Your attorney is obligated to appear on your behalf and represent your interests as long as your case is active or until the judge permits your attorney to withdraw from your case. If you ever have any questions concerning your case, your creditors, your rights under the Bankruptcy Code, or your options under Chapter 13, **MAKE SURE YOU CALL YOUR ATTORNEY FIRST.**

Your attorney should have explained to you how much your legal fee would be and how it will be paid. Be sure you specifically discussed whether additional legal services during your Plan will cost more money or whether the initial fee will cover all legal costs.

PAYMENTS UNDER YOUR PLAN: You must begin making Plan payments to the Trustee in accordance with the Order Establishing Deadline for Making Payments, which is entered by the Court and mailed to you. In any event, this date will be a date no more than thirty (30) days following the date you filed your Chapter 13 Petition or the date you converted your case from a Chapter 7 to Chapter 13. **ALL PAYMENTS MUST BE MADE TO:**

**Laurie K. Weatherford, Trustee
Post Office Box 1103
Memphis TN 38101-1103**

Payments are due, each month, on the date the Petition was filed. **The Trustee disburses to creditors at the end of every month; therefore, any payments not timely received will be considered delinquent.**

If you file an amended Plan and your monthly payment increases, you must calculate the entire amount owed since the first payment became due and immediately send the difference to the Trustee. You must then stay current under the amended Plan.

YOUR NAME AND CASE NUMBER MUST BE WRITTEN ON ALL PAYMENTS TO THE TRUSTEE to insure accurate posting to your account. You will not be credited for payments that are not properly received and posted. Please keep all receipts.

PAYROLL DEDUCTION: Most payments are made through wage deduction at your place of employment. This way your employer simply deducts your payment from your paycheck and sends it directly to the Trustee. This procedure makes it easier for you to stay current under your Plan and eliminates the cost of postage.

The court will allow direct payments to the Trustee instead of payroll deduction only for self-employed debtors or for extenuating circumstances. **ALL DIRECT PAYMENTS MUST BE MADE BY CASHIER'S CHECK OR MONEY ORDER. PERSONAL CHECKS AND CASH WILL NOT BE ACCEPTED.**

YOUR OBLIGATION TO PAY: Even if the Court orders your employer to deduct plan payments and send them to the Trustee for you, YOU are responsible for making certain all payments are made. If your employer ever fails to make a Plan payment deduction, you must tell your attorney and immediately send the needed Plan payment to the Trustee by cashier's check or money order. Keep all pay stubs to demonstrate deductions are properly taking place.

DELINQUENT PAYMENTS: Occasionally, unforeseen circumstances may impede your ability to maintain your Plan payments. If you are laid off from your job, encounter an unexpected emergency, or suffer an extended illness which makes it impossible for you to continue making full payments, PLEASE CONTACT THE TRUSTEE'S OFFICE IN WRITING TO EXPLAIN HOW YOU INTEND TO BRING YOUR CASE CURRENT.

DISMISSAL: FAILURE TO REMAIN CURRENT WILL RESULT IN A DISMISSAL OF YOUR CASE and you will probably not be allowed to file another Bankruptcy Petition for at least six (6) months. The Trustee's office has no authority to let you miss a payment or allow you to pay less than your Plan requires. Only the Court can make such a decision. You should immediately contact your attorney to modify your plan if you must change the obligation of your Plan.

You are permitted to voluntarily dismiss your case at any time before or after confirmation. You will not be permitted to file another Bankruptcy Petition for at least six months unless the Court rules otherwise. A dismissal will allow your creditors the right to deal with you as if you never filed for bankruptcy.

PAYMENTS ON SECURED DEBT: All continuing monthly payments must be paid through the Plan during the period that the pre-petition arrearage amount is being paid off. DO NOT SEND REGULAR PAYMENTS DIRECTLY TO THE CREDITOR.

ADJUSTABLE NOTE PAYMENTS: Adjustable mortgage payments will be changed automatically during your Plan. The Trustee's office will notify you when increased payments have come due. You must immediately send the difference to the Trustee and remain current with the new amount. If you do not agree with the increased amount, ask your attorney to file the appropriate motion. If the new payment is lower, the difference will be applied to cure the arrearage more quickly. Do not send less than the confirmed Plan amount.

PAYMENTS OUTSIDE THE PLAN: Even if you are current with a secured creditor before you filed your Petition, you are required to pay the secured debt through the Plan. You may not deal with that creditor directly. ONLY DEBT PROVIDED FOR IN THE PLAN IS PROTECTED BY THE BANKRUPTCY COURT. Creditors who are not paid through the Plan are granted relief from the automatic stay to pursue state court remedies immediately upon confirmation of the Plan.

TAXES AND INSURANCE: All delinquent income tax due before you filed your Petition must be provided for in the Plan. YOU ARE REQUIRED TO TIMELY FILE ALL INCOME TAX RETURNS and make certain any taxes that come due after the petition has been filed are paid directly to the IRS. If you fail to file a tax return or make the appropriate payment, the IRS will proceed against you.

If your regular payment on a secured debt does not include property taxes and insurance, you are responsible for the payment. If you do not pay them directly to the County tax collector or to the insurance company, the County and your secured creditor will be entitled to proceed against you.

IF YOU DO NOT MAINTAIN INSURANCE ON PROPERTY PROVIDED FOR IN THE PLAN DURING THE ENTIRE TERM, THE TRUSTEE AND THE SECURED CREDITOR HAVE THE RIGHT TO ASK THE COURT TO DISMISS YOUR CASE.

CLAIMS OF CREDITORS: All creditors listed in your Plan should file a Proof of Claim with the Court for the amount you owe. Unsecured creditors must file a Proof of Claim within ninety (90) days from the date of your 341 Meeting of Creditors. Late filed Claims will not be allowed and will not be paid without Court approval.

IT IS IMPERATIVE THAT YOUR ATTORNEY REVIEW THE COURT'S CLAIMS REGISTER to determine which Claims are proper and which claims must be objected to. Make certain to meet with your attorney during this ninety (90) day period to discuss which Claims are not proper.

CONTACTS BY CREDITORS: All the creditors you listed on your Petition are automatically prohibited from bothering you in any way. If you get notices in the mail from your creditors, send them to your attorney. If you get more personal direct contact from a creditor, such as a telephone call, a letter, a summons, or a visit in person, you should immediately inform them you are in Bankruptcy and give them your case number and your attorney's name and address. DO NOT DISCUSS YOUR DEBT WITH CREDITORS IN ANY MANNER.

DEALING WITH CREDITORS: You may not deal with any creditors, just as a creditor may not deal with you. You may not pick and choose a particular creditor and make "side payments". All your debt must be dealt with under the authority of the Court, by the terms of the law, and not by personal desires.

CREDIT CARDS AND POST PETITION DEBT: You may not incur any debt without the Trustee's or the Court's permission. You may not borrow money from a finance company or a bank. You may not receive an advance of your salary. You may not buy anything over time, such as a car or a large appliance. You may not sign, co-sign or guarantee an installment note. You may not use a credit card. The only exception is for medical emergencies. You are allowed to incur debt to a doctor, pharmacist, dentist, hospital or clinic. If you do incur debt, without permission, your case may be dismissed.

SELLING PROPERTY: You may not sell any of your property without permission from the Court. If you do sell any property without approval, the transaction may be set aside. If you want to sell your property, trade in a car, or sell your home, be sure to ask your attorney to file the appropriate motion.

STATUS REPORTS: You will receive annual status reports from the Trustee's office indicating receipts and disbursements. Please review this document with your attorney. If you disagree with the receipts posted or treatment of any Claim, please have your attorney notify the Trustee's office immediately. IF THE TRUSTEE'S OFFICE DOES NOT HEAR FROM YOUR ATTORNEY, THE TRUSTEE WILL CONSIDER YOU IN AGREEMENT WITH RECEIPTS POSTED AND SHE WILL PAY CLAIMS AS PROVIDED.

CHANGE OF ADDRESS: All notices, letters and checks will be mailed to the address listed on the Petition unless the Trustee's office is notified in writing of any change. YOU ARE REQUIRED TO NOTIFY THE TRUSTEE'S OFFICE AND THE COURT IMMEDIATELY OF ANY CHANGE IN ADDRESS OR TELEPHONE NUMBER. It is your responsibility to make certain all documents are sent to your current address.

DISCHARGE: The Trustee will file a final report with the Clerk of the Court when you complete your Plan, when you have paid the Trustee enough money to pay your creditors what you promised to pay them. The Court will issue a discharge of your debts soon after.

FINALLY: Complying with a Chapter 13 Plan is not easy. You may have to make a real sacrifice to meet the obligations which you have specified in your Plan. Stay within your budget and hopefully you will be able to enjoy the "fresh start" intended by Congress after you successfully complete your Plan. Good luck.