

CHAPTER 7 CHECKLIST OF ITEM YOU NEED TO KNOW IN 7

Fail to list an asset and you may lose it in a 7. You can't exempt or keep an asset someone else owns. Don't give your 5,000 dollar car to mother for less than what it was worth before filing. This is a fraudulent transfer or a preferential transfer. Either way you or she loses it.

If you don't list a debt in a case where creditors are repaid, it is not discharged. In our district if you fail to list a debt in a case where no creditor was repaid (over 90% of Chapter 7 cases) it is still discharged. If you have a small amount of income and property you normally have no problem filing a 7 unless you failed to keep records or transferred property improperly.

A Chapter 7 Trustee looks over your income, taxes and bank records to determine what your income is, what property you have and what transfers you made. If you have you paid friends or family members within the 2 years before filing he will find it and we need to know about it. He is paid about 60 dollars for each case he reviews. It costs him over \$60 to review each petition. If the petition is accurate and does not raise suspicions he moves on to the next Debtor. If you have a sloppy petition, raise suspicions, cost him time or become difficult he will audit your petition more closely. He can conduct two or more hearings instead of one. He makes 25% from any property he takes from you and pays to creditors. Do not cause yourself problems by filing a sloppy petition.

If you operated a business the Trustee may audit the books of that business looking for assets, fraudulent transfers and preferential transfers. If your bookkeeping was poor you may be barred from a Chapter 7. In such cases you may be better off filing as a Chapter 13 where there is very little review by the US Trustee and Panel Trustee in Chapter 13 cases.

GENERAL CHECKLIST

If you have a judicial lien you need avoided, *tell us at the start!* Sometimes you have been sued, and a lien may have been placed against your home. It is an extra cost to avoid a judicial lien. But if you don't pay the 500 to delete this lien now, you may have to pay thousands later to remove it and have to wait 30 days to get it done which may delay a home mortgage or purchase.

You will find on our website, in the manual and on our YouTube channel the answers to:

- A. What are the common questions the Trustee asks
- B. The common exemptions which allow you to keep property,
- C. The length of time you have to wait before filing a second Chapter 7 or 13.
- D. Why you don't want to use debt settlement/management.
- E. When you want to use a Chapter 13 and when you want to use a 7

Other questions about bankruptcy, foreclosure, tax and student loan debt is answered on the website if you use the magnifying glass tool to look issues up.

<i>We need to notify the court in a 7 or 13 if</i>	We need to notify the court in a 13 if:
<i>Your address changes</i>	You can't make the payments
<i>You become able to sue someone</i>	You want to buy or sell a home or auto
<i>You come into an inheritance</i>	Can't make payments temporarily.
<i>Finalize a mortgage modification</i>	Pay a case off early
	Your employment changes

NO CHAPTER 13 CAN LAST MORE THAN 60 MONTHS BUT IF YOU EARN LESS THAN AN AVERAGE INCOME YOU CAN DO A CHAPTER 13 FOR 36 MONTHS.

These are issues in a Chapter 7 and general issues for the Western District of Kentucky. Be sure to read the Bankruptcy manual and information on our website. We have MP3 files, Videos and PowerPoints to explain bankruptcy, foreclosure, income tax and student loan issues.

Go to your hearing early; listen to the questions; they ask the same questions over and over. ***THE QUESTIONS YOU ASKED ARE ON OUR WEBSITE.*** If you or your attorney arrives slightly late, they will recall the case. Don't panic.

Take the second debtor education class immediately after the case is filed, or it may cost you.

Bring your photo ID and social security card with you or your hearing will be continued.

Budget Planning (In preparing your petition we will cover these expenses)

Home		Transportation		Food	
Mortgage or Rent		Car Payment Vehicle 1		Pet expenses	
Property Taxes		Car Payment Vehicle 2		Medical Insurance	
Home Insurance		Car Insurance		Medical Co Pays	
Condo Fees HOA		Gas Oil Tires Maintenance		Taxes	
Home Maintenance		Cell phone, Cable, Internet, etc		Miscellaneous	
Electricity		Clothing		Pet Expenses	
Water Sewage		Personal Care Haircuts etc		Recreational Expenses	
Garbage		Child Support		Recreational Expenses	
Other Services		Alimony		Child Day Care	
		Charity up to 15% is allowed		Child Education if Disabled	

Common Questions we cover and need to know about in preparing your petition. Many topics are on our website. But let us know if:

1. Are the majority of your debts business debts if so you may automatically qualify for Chapter 7. Have you operated a business within the last 6 years if so it must be listed!
2. Unless exempted; tax refunds, inheritances & insurance proceeds belong to the trustee. If you can't exempt an item you may be able to spend it before filing on repairs or necessary items which are exempt. Don't pay relatives or transfer assets to relatives and friends before filing.
3. Are you a veteran? Did the debts arise while you are on active service? If so you may qualify for a Chapter 7 even if you make over the average income.
4. Are there any leases or cell phone contracts you need to keep or get rid of? If so do it now.
5. Have you lost, sold or transferred any property to anyone within 2 years worth over 600?
6. Have you made any gifts to any family members or charity?
7. Are you going through any foreclosure, divorce, lawsuit or business breakup?
8. Do you owe more on your car or boat than what it is worth? If so you may need to Redeem your auto in a Chapter 7 or include it in your Chapter 13 plan and strip it down. If you owe more than your home is worth let us know.
9. Are you due to inherit property, win a lottery or have the right to file a lawsuit?
10. Are you on anyone else's deed, bank account or car title???
11. Do you need a judicial lien avoided, property protected or need to protect a cosigner?
12. Do you have certain difficult debts you need to discharge?
13. Do you have property tax liens, foreclosure, student loan or tax problems?
14. If you have a business have you kept excellent accounting records perhaps a 13 is needed. A 13 is also often needed if you need to be protected from a foreclosure, tax or student loan collector. A 13 will only protect a cosigner if it repays the debt 100% with any contract rate of interest.
15. Did you use credit cards or make charges of over 600 within 90 days of filing especially for any luxury item. If is you may have to repay what you charged during that period of time.

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