

SECTION 527(c) DISCLOSURES & NOTICES

**INSTRUCTIONS ON PROVIDING
INFORMATION REQUIRED BY U.S. BANKRUPTCY LAW**

Before you actually file a bankruptcy case with the U.S. Courts, you must be aware that you will have important and mandatory DUTIES under Federal Law. These duties include the preparation and filing of totally truthful, complete, and accurate documentation described as (i) List of Creditors; (ii) Schedule of Assets and Debts; (iii) Schedule of Current Income and Current Expenditures; and (iv) Statement of Financial Affairs.

You will be obligated to file a Statement of Intention regarding debts that are secured by collateral (e.g. a house, vehicle, or other personal property), and perform such intentions within 30 days after filing. Additionally, you will be required to file certain additional documentation (and / or forms) to substantiate information given in the above-referenced forms.

Finally, and PRIOR TO filing you will be required to engage in credit counseling and obtain a written certification of your compliance and file it with the Court.

Following are instructions to assist you to comply with your DUTIES :

LIST OF CREDITORS

· You must include ALL of your creditors on the list even if you want to continue to pay a particular creditor (e.g. home loan, car loan, or loan to a personal friend or family member), or even if a particular debt is not one that is ordinarily subject to discharge (e.g. student loans, certain taxes, and child and marital support).

· The ADDRESS information for each creditor is extremely important. Gather your bills and carefully review them. It is critical that you use the CORRESPONDENCE address given on the bill, or an address at which the creditor receives U.S. Mail. Do NOT use a “payment address.” It will be important for you to use the address provided to you by the creditor in at least the last (2) two bills/correspondence sent to you over the last 90 days.

· Provide the FULL NAME of the creditor, the account number, the current balance of the debt, and the year in which the debt was originally created. Use your most recent bill to establish a balance; if you are uncertain, we will assist you in determining the amount

INCOME AND EXPENSES

· A statement of your current monthly **INCOME** will be required and such statement may be used in multiple areas of your filing. You will need to gather documentation evidencing your income received from ALL sources over the last six (6) months. Such documentation will generally include paycheck stubs, 1099 statements, SSI statements, SSD statements, worker's comp and unemployment comp statements, draw advices, commission checks/statements, cash disbursement receipts, etc.

· You will also be required to give the Court a sworn statement of the average of your income received from all sources of the last six (6) months. Assume that your case filing will occur in the month you received this notice and provide all documentation of your income for the full six (6) months preceding this month.

· A statement of your current monthly expenses will also be required. Monthly expenses include but is not limited to: rent, mortgage payments, utility expenses (gas, propane, electric and telephone), cell phone, cable TV, home maintenance, food, car insurance, transportation (gasoline, oil changes, vehicle maintenance), recreation, clothing and laundry expenses and personal care items. It will be helpful for you to provide a six (6) month average of such expenses in the worksheet that will be provided to you. You can obtain the information from a review of your checkbook, your utility bills and monthly receipts for food and other items.

· You will also be required to provide the Court with a statement concerning expected changes in your income or expenses for the one year period following the filing of your case. While not always applicable, sometimes people can anticipate bonuses or even job losses/temporary layoffs, and anticipate temporary or permanent increases in expenses associated with situations like pregnancy, or medical conditions requiring surgery. Keep these types of situations in mind when preparing the materials.

STATEMENT OF FINANCIAL AFFAIRS

· Your Statement of Financial Affairs (SOFA) is basically a questionnaire designed to assist you to reveal pertinent, but often overlooked information concerning your assets, debts and general financial condition for at least the several year period prior to your case filing.

DOCUMENTS OF PERSONAL IDENTIFICATION

· You will be required to provide the Court upon request with sufficient documents to authenticate your **IDENTITY**. You must show a driver's license, a passport, or other document containing your picture (e.g. state issued picture ID) and additional evidence of your social security number.

ATTORNEY FEES AND WRITTEN AGREEMENTS

If we provide assistance to you in any manner we will be required to provide you with a written contract explaining the fees and the nature of our services within five (5) days of our initial contact. Following is a list of the legal services that we would generally provide in connection with assisting someone with debt relief.

· We will meet with you to obtain a general understanding of your debt and household (or business) financial situation and come to some preliminary conclusion as to what legal or other remedy to employ to meet your needs.

· We will assist you in preparing information for our second meeting and direct you to bring additional documentation for our review. From here we will consult with you in order to finalize our determinations as to which debt relief remedy best fits your needs.

· If we determine that a U.S. Bankruptcy proceeding is necessary, we will prepare all of the required forms and documents for Court filing, and set up a third meeting with you to thoroughly review and execute these documents.

· After filing the Bankruptcy Petition, our services will include all typical attorney required participation in such proceedings including an appearance at the Section 341 First Meeting of Creditors and follow-up communication regarding the completion of your case.

Under Chapter 13 you must file with the Court a plan to repay your creditors all or part of the money that you owe them using your future earnings. The period allowed by the Court to repay your debts may be three years or five years depending upon your income and other factors. The Court must approve your plan before it can take effect.

After completing the payments under your plan your debts are generally discharged except for domestic support obligations, most student loans, certain taxes, most criminal fines and restitution, certain debts which are not properly listed in your bankruptcy papers, certain debts for acts that caused death or personal injury and certain long-term secured obligations.

Services Available from Credit Counseling Agencies

With limited exceptions, Section 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis. The briefing must be given within 180 days before the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States Trustee or bankruptcy administrator. The clerk of the Bankruptcy Court has a list that you may consult of the approved budget and credit counseling agencies.

In addition, after filing a bankruptcy case an individual must complete a financial management instructional course before receiving a discharge.

SUPPLEMENTAL NOTICE TO INDIVIDUAL CONSUMER DEBTOR

This notice is provided pursuant to Section 11 USC 527 (a)(2) and is given in addition to the Notice to Individual Consumer Debtor(s) required pursuant to Section 11 USC 342 (b)(1).

- (A) All information that you, the debtor, are required to provide in order to file a petition and all documents throughout any bankruptcy case is required to be complete, accurate and truthful;
- (B) All assets (property of any nature) and liabilities (debts and claims of any nature) are required to be completely and accurately disclosed in the papers filed with the bankruptcy court in connection with the case. The replacement value of each asset, which is determined as of the date of filing of your petition in bankruptcy without deduction for costs of sale or marketing and/or the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined, must be stated in those documents where requested after reasonable inquiry to establish the value;
- (C) Accurate, current monthly income and expenses must be stated, as follows:
 1. In a Chapter 7 case, current monthly income reduced by reasonable monthly expenses as specified under the National Standards issued by the IRS for your residential area, along with your actual monthly expenses for categories specified as Other Necessary Expenses for you, your spouse and your other dependents. Such expenses shall include reasonably necessary health insurance, disability insurance, and health savings account expenses for you, your spouse and your dependents. Such amounts shall include your reasonably necessary expenses to protect yourself, your spouse or your dependents from family violence. If it is demonstrated that it is reasonable and necessary, your expense budget may include an additional allowance for food and clothing of up to 5% of the food and clothing categories as issued in the National Standards issued by the IRS.

Your monthly expenses may include the continuation of actual expenses paid by you that are reasonable and necessary for care and support of an elderly, chronically ill, or disabled household member or member of your immediate family (including parents, grandparents, siblings, children and grandchildren) your dependents and your spouse who are unable to pay their own expenses.

Your expenses may also include the actual expenses for each dependent child less than 18 years of age, not to exceed \$1,500 per year per child, to attend a private or public elementary or secondary school if you provide documentation of such expenses and a detailed explanation of why such expenses are reasonable and necessary and why such expenses are not already accounted for in the National Standards issued by the IRS.

Your expenses may also include an allowance for housing and utilities, in excess of the National Standards issued by the IRS if you provide documentation of such actual expenses and demonstrate that such actual expenses are reasonable and necessary.

2. In a Chapter 13, in addition to the above, your monthly expenses may include the actual expenses of administering your Chapter 13 case, up to 10% of all projected plan payments.

In a Chapter 13, to determine your disposable income (that is, income available over your expenses with which to pay your creditors) you will calculate your average monthly payments on account of secured debts, by calculating the sum of (a) the total of all amounts scheduled as due under the contract with your secured creditor in each month of the 60 months following the date of filing of your petition; and (b) any additional payments to secured creditors necessary for you to maintain possession of your primary residence, motor vehicle, or other property necessary for your support and the support of your spouse and dependents, that serves as collateral for secured debts, divided by 60.

Your priority claims, such as child support and spousal support, shall be calculated as the total amount of debts entitled to priority divided by 60.

You must attest under oath that the information provided relative to income and expenses are accurate. You must include a statement showing your calculations.

- (D) You must provide a list of all creditors, including names, addresses, account numbers and balances due. If you are unsure of this information, use the information printed on the last two communications you have received from each creditor. Do not use the address provided by your creditor to send payments. Do use the address provided by your creditors for correspondence. You may use the balances due on the latest of the last two statements sent to you by each creditor.
- (E) Certain property is exempt from attachment, execution or garnishment by your creditors. This means that you may keep that property, generally. Certain assets, such as retirement plans created pursuant to Section 401(k) of the IRS Code, are not listed as subject to exemption because they are not property that the creditors can take. Those assets still must be disclosed to the Court in your bankruptcy papers.
- (F) Information that you provide may be audited. Failure to provide such information may result in the dismissal of your case or other sanctions, including criminal sanctions.

THANK YOU FOR YOUR ATTENTION

I acknowledge receipt of these NOTICES.

Name

Date

Name

Date