CONSUMER BANKRUPTCY ASSISTANCE PROJECT

CHAPTER 7 BANKRUPTCY PROCEDURE
AFTER OCTOBER 17, 2005

• Intake and Scheduling of Client:

CBAP receives a referral from PLA/CLS and opens a case accordingly. A volunteer paralegal or lawyer then attempts to contact the client in order to schedule a preliminary appointment.

Because of the incredible amount of cases referred to CBAP, several months often pass between the opening of a case and the scheduling of that client. Because of this lag, many of our clients have moved or changed their telephone numbers by the time a volunteer is available to take their case. Because of the difficult financial and personal situations that CBAP clients endure day in and day out, it is not unusual to have to leave several messages or write many letters in order to make contact with a client. This process can easily take weeks. Furthermore, once a client is scheduled, it is not uncommon for that client to miss his or her appointment due to an illness, a transportation issue, a family emergency, *etc.* thereby beginning the entire process again.

• *Meeting 1*: Preliminary Interview:

At the preliminary interview, all debts including credit card bills, medical bills, utility/phone bills, mortgages, car loans, judgments, *etc.* are reviewed and discussed. The volunteer calculates the debtor's current monthly income and monthly expenses as well as inquires about all other assets. This meeting takes roughly an hour and a half.

Because of the new law, the debtor must bring:

-*All* bills and letters from creditors and collection agencies.
-8 weeks of recent pay stubs if employed.
-Award letters if receiving social security benefits.
-Proof of income if receiving public assistance, foods stamps, pensions, etc.
-Most recent tax returns.
-Current bank statements.
-Photo ID and Social Security Card.
-Any law suits the debtor is a party to.
-Proof of market value if the debtor owns a home or other property
-(A credit report is obtained at the interview)

Because of the difficult and diverse situations CBAP clients face in their lives, obtaining the above materials is a difficult task. The preliminary interview simply begins the long process of collecting bills, obtaining pay stubs, going to the social security office for award printouts, acquiring tax transcripts, finding a recent bank statement, contacting a realtor to look at property, *etc.* This process can often take months for a variety of reasons. Because of the significant effort required on the part of the client, the volunteer needs to stay in close contact to make sure progress is being made. It is very easy to lose track of a detail complicating the process down the road.

• *Meeting 2*: Credit Counseling Session:

At the preliminary interview, the client is given information on how to obtain the debt counseling required by the court. The client is responsible for contacting *Consumer Credit Counseling of Delaware Valley* and making an appointment. The client must then keep this appointment and obtain a certificate of proof. Again, staying on top of the client to make sure he or she schedules an appointment, keeps the appointment, and reports back with a certificate can be a difficult process. Clients lose the information amidst the stress of their lives, forget to make appointments, miss appointments, *etc.* It takes considerable effort to make sure the client completes the course in a timely manner.

- *Meeting 4*: **Meeting of Creditors**:

The new law has made the meeting of creditors significantly more complicated due to all the additional paperwork involved. First, the client's most recent tax return is required by the trustee one week before the meeting. This creates another deadline that needs to be observed by the volunteer as well as a potential problem if there is any difficulty in obtaining the required documentation from the IRS. Second, in addition to bringing a current photo ID and social security card to the meeting, the debtor is required to bring his or her most recent bank statement and proof of current income. This documentation could mean another trip for an elderly, sick, or over-stretched client to their local social security office or bank.

Because of the new law, the debtor must bring:

-Photo ID and Social Security Card.
-All recent pay stubs and bank statements.
-Proof of income if unemployed.

- *Meeting 5*: **Financial Management Course after Bankruptcy**:

After the meeting of creditors, the client only has 45 days to complete a second course through *Consumer Credit Counseling*. The class is three hours long and is again a logistical challenge in the context of a CBAP client's typical life. If a client misses his or her 45-day window, the case is closed without a discharge.

- **Discharge Granted.**