

**ISLA LAW OFFICES**

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Admitted to Practice in

Ohio, West Virginia and

Pennsylvania

**CLIENT INFORMATION SHEET**

DATE OF APPOINTMENT: \_\_\_\_\_

Full Name: \_\_\_\_\_

Other Names Use in last 8 years: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_

County: \_\_\_\_\_ Zip Code: \_\_\_\_\_

How long lived there: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

Fax Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

- Never Married
- Married Living Together
- Married Living Apart
- Divorced
- Widowed

Reason For Visit: \_\_\_\_\_

HAVE YOU OR SPOUSE PREVIOUSLY FILED BANKRUPTCY?  YES  NO

**HOW DID YOU LEARN ABOUT THIS OFFICE?** (Please Check One)

- \_\_\_\_\_ SBC-STEUBENVILLE/WEIRTON
- \_\_\_\_\_ VERIZON-BROOKE/HANCOCK WV
- \_\_\_\_\_ STEEL VALLEY PHONE BOOK
- \_\_\_\_\_ TELEVISION
- \_\_\_\_\_ OTHER \_\_\_\_\_
- \_\_\_\_\_ LIST NAME OF INDIVIDUAL \_\_\_\_\_
- \_\_\_\_\_ EZ TO USE BIG BOOK
- \_\_\_\_\_ DIRECT MAIL
- \_\_\_\_\_ INTERNET
- \_\_\_\_\_ NEWSPAPER

DID YOU CALL 1-88-88-DEBT FREE TO CONTACT OUR OFFICE? \_\_\_\_\_

***OFFICE USE ONLY***

REFERRAL \_\_\_\_\_

**Please note that if you are filing single, you are the debtor, if you are filing jointly the Husband is the Debtor and the Wife is the Co-Debtor.**

**Name & Address of Debtor's Employer**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Job Title \_\_\_\_\_

How long employed \_\_\_\_\_

**Income from all sources:**

How often are you paid:

Weekly  Bi-Weekly

Monthly  Semi-Monthly

**Gross Income (before deductions):**

Each pay period \$ \_\_\_\_\_

**Tax Deductions (each pay period)**

Federal, State, Medicare \$ \_\_\_\_\_

Union Dues \$ \_\_\_\_\_

Health Insurance \$ \_\_\_\_\_

Life Insurance \$ \_\_\_\_\_

Other: \_\_\_\_\_ \$ \_\_\_\_\_

**Net Pay** \$ \_\_\_\_\_

**Name & Address of Co-Debtor's Employer**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Job Title \_\_\_\_\_

How long employed \_\_\_\_\_

How often are you paid:

Weekly  Bi-Weekly

Monthly  Semi-Monthly

Each pay period \$ \_\_\_\_\_

Federal, State, Medicare \$ \_\_\_\_\_

Union Dues \$ \_\_\_\_\_

Health Insurance \$ \_\_\_\_\_

Life Insurance \$ \_\_\_\_\_

Other: \_\_\_\_\_ \$ \_\_\_\_\_

**Net Pay** \$ \_\_\_\_\_

**Do receive income from any of the following sources and state the monthly amount:**

Business you operate \$ \_\_\_\_\_

Rental Property \$ \_\_\_\_\_

Unemployment \$ \_\_\_\_\_

Social Security \$ \_\_\_\_\_

Alimony or Support \$ \_\_\_\_\_

Pension or Retirement \$ \_\_\_\_\_

Other Source \$ \_\_\_\_\_

**Average Monthly Income** \$ \_\_\_\_\_

Business you operate \$ \_\_\_\_\_

Rental Property \$ \_\_\_\_\_

Unemployment \$ \_\_\_\_\_

Social Security \$ \_\_\_\_\_

Alimony or Support \$ \_\_\_\_\_

Pension or Retirement \$ \_\_\_\_\_

Other Source \$ \_\_\_\_\_

**Average Monthly Income** \$ \_\_\_\_\_

Describe any increase or decrease you expect to have in your monthly income below:

\_\_\_\_\_

Have you been in business or self-employed during the past two years? Yes  No

If yes, state: business name:

Business Address:

Type of Business:

Has your spouse been in business or self-employed during the past two years? Yes  No

If yes, state: business name:

Business Address:

Type of Business:

# AUTOMOBILES

1. Year: \_\_\_\_\_  
2 door \_\_\_\_\_ or 4 door \_\_\_\_\_  
Mileage: \_\_\_\_\_  
If Pickup 2WD or 4 WD: Circle one

Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Class: (ex: SE / LS) \_\_\_\_\_  
Kind of Cab: \_\_\_\_\_

## CREDITOR INFORMATION FOR AUTO#1

Creditor: \_\_\_\_\_  
Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_  
Current: Y or N

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2. Year: \_\_\_\_\_  
2 door \_\_\_\_\_ or 4 door \_\_\_\_\_:  
Mileage: \_\_\_\_\_  
If Pickup 2WD or 4 WD: Circle one

Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Class: (ex: SE / LS) \_\_\_\_\_  
Kind of Cab: \_\_\_\_\_

## CREDITOR INFORMATION FOR AUTO#2

Creditor: \_\_\_\_\_  
Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_  
Current: Y or N

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3. Year: \_\_\_\_\_  
2 door \_\_\_\_\_ or 4 door \_\_\_\_\_:  
Mileage: \_\_\_\_\_  
If Pickup 2WD or 4 WD: Circle one

Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Class: (ex: SE / LS) \_\_\_\_\_  
Kind of Cab: \_\_\_\_\_

## CREDITOR INFORMATION FOR AUTO#3

Creditor: \_\_\_\_\_  
Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_  
Current: Y or N

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4. Year: \_\_\_\_\_  
2 door \_\_\_\_\_ or 4 door \_\_\_\_\_:  
Mileage: \_\_\_\_\_  
If Pickup 2WD or 4 WD: Circle one

Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Class: (ex: SE / LS) \_\_\_\_\_  
Kind of Cab: \_\_\_\_\_

## CREDITOR INFORMATION FOR AUTO#4

Creditor: \_\_\_\_\_  
Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_  
Current: Y or N

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## **REAL ESTATE INFORMATION**

Location of property: \_\_\_\_\_  
Date of purchase of property: \_\_\_\_\_  
Purchase Price: \_\_\_\_\_ Appraised Value: \_\_\_\_\_  
Monthly Payment: \_\_\_\_\_ Present Balance: \_\_\_\_\_

### **Have you refinanced your mortgage? If so, provide the following information:**

Date of Refinance: \_\_\_\_\_ Appraised Value: \_\_\_\_\_  
Amount of Refinance: \_\_\_\_\_  
Assessor FMV: \_\_\_\_\_

### **Have you transferred any REAL ESTATE or OTHER PERSONAL PROPERTY within the last 4 years? If so, the provide the following information:**

Location of property: \_\_\_\_\_  
Date of transfer of property: \_\_\_\_\_  
Amount Received: \_\_\_\_\_ Appraised Value: \_\_\_\_\_

## **PURCHASES WITHIN THE LAST 90 DAYS**

Have you made any purchases on your credit cards within the last 90 days  Yes  No  
If yes, for what (cash advance, groceries, pay bills, etc.) \_\_\_\_\_  
\_\_\_\_\_

Have you made received any cash advances, used convenience checks, taken out any payday loans and or had any balance transfers in the last 90 days?  Yes  No  
If yes, please explain \_\_\_\_\_  
\_\_\_\_\_

Have you made any transfer of credit card balances from one card to another card within the last 6 months?  
 Yes  No  
From Card: \_\_\_\_\_ To Card: \_\_\_\_\_ Amount: \_\_\_\_\_

## **PAYMENTS TO INSIDERS**

An example of a payment to an insider would be – If your parents, sister, a friend, etc. loaned you money and you are paying them back. If so, then please state:

To whom: \_\_\_\_\_ Amount: \_\_\_\_\_  
Amount you have paid to them within the last year: \_\_\_\_\_

## **BANKRUPTCY INFORMATION**

- Yes  No Have you sold any assets in the past 4 years?
- Yes  No Have you transferred, re-titled, donated or given away anything of value in the past 4 years?
- Yes  No Have you paid any creditor more than \$600 in the past 90 days?
- Yes  No Are any creditors garnishing your wages now?
- Yes  No Do you owe any back income, property or employment taxes?
- Yes  No Have you filed all of your tax returns? List last tax year filed \_\_\_\_\_
- Yes  No Have you been served with any lawsuit or arbitration proceeding in the past three years?
- Yes  No Are there any lawsuits now pending?
- Yes  No Have you made any large purchases in the past 90 days?
- Yes  No Have you taken any cash advances or payday loans in the past 90 days?
- Yes  No Have you participated in a debt consolidation, debt management or debt elimination program in the past year?
- Yes  No Have you paid any other lawyer for advice about your debts or filing bankruptcy in the past year?
- Yes  No Are you separated from your spouse or considering separation?
- Yes  No Have you been a party to a divorce in the past four years?
- Yes  No Have you been in business for yourself in the past 6 years?
- Yes  No Have you been an officer or partner in a business in the past 6 years?
- Yes  No Has anyone died and left you an inheritance that you have not received yet or do you anticipate receiving an inheritance in the next 6 months?
- Yes  No Do you owe any money on account of a marital settlement agreement or judgment of divorce?
- Yes  No Do you pay child or spousal support?
- Yes  No Is any child or spousal support past due?
- Yes  No Does anyone owe you money?
- Yes  No Are you entitled to a tax refund that you haven't received?
- Yes  No Are you suing anyone? Do you have a claim against anyone, for an accident, injury, debt or employment claim on which you may sue?
- Yes  No Have you lived outside of your current state of residence in the past 3 years?
- Yes  No Does anyone contribute to the expenses of your household?
- Yes  No Do you expect significant changes in your household income in the next 6 months?
- Yes  No Do you receive income from a trust, pension or annuity?
- Yes  No Have you taken loans or withdrawals from retirement savings?
- Yes  No Have you filed bankruptcy in the past 8 years?
- Yes  No Have you financed a car in the past 3 years?

Client Signature \_\_\_\_\_

Date: \_\_\_\_\_

Client Signature \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Employer Name and Address and Phone Number

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

To Whom It May Concern:

Please be advised that the undersigned is REQUESTING and AUTHORIZING any and all **COPIES OF PAYSTUBS** reflecting the gross amount of pay, net amount of pay, year to date amounts, tax deductions, and any other deductions be released to Isla Law Offices and Roger A. Isla, Esq. Also, please include any other bonus or vacation pays received by your employee named below.

You are further authorized to provide any requested information immediately and directly to Isla Law Offices and Roger A. Isla, Esq., or his employees or agents, via fax, email, regular mail or any other convenient medium at the following address:

Isla Law Offices  
Attn: Roger A. Isla, Esq.  
3618 West Street.  
Weirton WV, 26062

Phone: 304-914-3573  
Fax: 304-224-1541  
Email: raisla@islawoffices.com

The purpose of this authorization is for my personal legal use and convenience. Further, I desire to allow Isla Law Offices and Roger A. Isla, Esq. to receive this information directly and expeditiously without the necessity of my direct involvement.

At this time, I am requesting all pay stubs from the following dates:

\_\_\_\_\_.

Accordingly, please forward any and all information requested.

Very truly yours,

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

SSN: \_\_\_\_\_

## **ACKNOWLEDGMENT OF RECEIPT**

I acknowledge that I have received from Isla Law Office, a copy of all of the following documents:

**Consultation Agreement.**

**Notice Mandated By Section 342(b)(1) and 527 (a)(1) of the Bankruptcy Code.**

**Notice Mandated By Section 527(a)(2) of the Bankruptcy Code.**

**Notice Mandated By Section 527(b) of the Bankruptcy Code.**

**Notice Mandated By Section 342(b)(2) of the Bankruptcy Code.**

**Notice To Chapter 7 Clients Regarding the Execution of Reaffirmation Agreements.**

If my spouse was not present when I received a copy of these notices, I hereby also acknowledge receipt of said notices on behalf of my spouse, and promise to provide my spouse with either a copy of these notices or the opportunity to read and review the copy I received.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Prospective Client

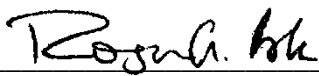
\_\_\_\_\_  
Prospective Co-Client (if present)

## Consultation Agreement and Acknowledgment of Receipt of Disclosures and Instructions

This Agreement is entered into on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between Prospective Client, (herein after referred to as the “Prospective Client” whether one or more) and Isla Law Office (hereinafter the “Attorney”).

Client has requested the opportunity to consult with and obtain information and advice from the Attorney regarding obtaining relief from debts, including relief from debts by filing bankruptcy under the United States Bankruptcy Code. This agreement is for purposes of that consultation only. If the Client retains the Attorney to file a bankruptcy, the parties shall execute a separate contract setting forth the fees and other terms of such representations. With respect to the consultation, the parties agree as follows.

1. \_\_\_\_ The fee for the consultation is \$\_\_\_\_.  
\_\_\_\_ There is no fee for the initial consultation.
2. Attorney shall provide the Client the following services:
  - a. Analyze the client’s financial circumstances based on information provided by the Client.
  - b. To the extent possible, based on the information provided by the Client, advise the Client of the Client’s bankruptcy options and non-bankruptcy options.
  - c. If the Client has not provided the Attorney with sufficient information upon which to fully advise the Client on the Client’s options, inform the Client what information the Client needs to provide to enable the Attorney to provide such advice and information.
  - d. Advise the Client of the requirements placed upon the Client to file a chapter 7 or 13 bankruptcy.
  - e. To the extent possible, quote the Client an estimated fee for the Attorney’s services to provide bankruptcy assistance or other legal services to the Client.

By:   
Roger A. Isla, Esq.



**BAPCPA REQUIRED NOTICE NO. 1 (§ 342(b)(1) and 527(a)(1) of the Bankruptcy Code)  
PURPOSES, BENEFITS AND COSTS OF BANKRUPTCY**

*This discussion is intended only as a brief overview of the types of bankruptcy. You should not decide whether or not to file for bankruptcy relief solely on this information. Bankruptcy law is complex, and there are many considerations that must be taken into account in making the determination whether or not to file. Anyone considering bankruptcy is encouraged to make a decision only after seeking the advice and assistance of an experienced bankruptcy attorney.*

When a person is discharged in bankruptcy, he or she is relieved from liability for most debts incurred before the bankruptcy was filed and protected from future collection of those debts. The purpose of bankruptcy is to give you a "fresh start," and the bankruptcy code is interpreted by the Courts to give effect to these words.

**Types of Bankruptcy**

The Bankruptcy Code is divided into chapters. The chapters that usually apply to consumers are Chapter 7, where most or all of your debt is wiped out, and Chapter 13, which involves a repayment plan.

In most cases, once you file your case, the "Automatic Stay" immediately goes into effect. The Automatic Stay means that a bankruptcy filing automatically stops, or stays, and brings to a halt most lawsuits, repossessions, foreclosures, evictions, garnishments, attachments, utility shut-offs, and debt collection harassment. Generally, creditors cannot take any further action against you or your property without permission from the Bankruptcy Court.

**Chapter 7.** Chapter 7 is designed for people who are having financial difficulties and are not able to re-pay their debts.

Under the changes to the Bankruptcy Code that took effect October 17, 2005, you can usually qualify for a Chapter 7 if your average gross monthly income for the last six months is below your state's Median Income, your gross income less certain expenses is below your state's Median Income, or you can show "special circumstances" that would allow you to qualify for Chapter 7. The filing fee for a Chapter 7 is \$306.00.

Under Chapter 7, you can usually exempt, or keep, most or all of your assets under the law of your state of residence, or, if you have not lived in your resident state for the past two years, under the state's exemption law that applies to your case. Most retirement accounts and pensions are also exempt. Secured property, normally your car and house, may not have any net equity, in which case you can keep it as well. The Trustee liquidates most non-exempt property and uses the proceeds to pay your creditors according to priorities of the Bankruptcy Code.

Once your Chapter 7 case is over, you receive a Discharge. The discharge prevents your creditors from taking any steps to try to collect their unsecured debt. They cannot call you, write you, sue you, or take any steps that could be considered an attempt to collect its debt. If you want to keep property that has a lien on it, you must keep your payments current, and may be required to reaffirm your debt. Some debts cannot be discharged. Typical examples are child support, alimony, and other domestic support obligations, some taxes, student loans, criminal restitution, and debts for death or personal injury caused by operating vehicles while intoxicated with alcohol or drugs.

**Chapter 13.** Chapter 13 is a valuable tool that lets you catch up overdue mortgage or car payments, taxes and domestic support obligations. It also applies where you have the ability to repay some or all of your debts over time. You must have less than \$307,675 in unsecured debt (such as credit cards and doctor's bills) and less than \$922,975 in secured debt (such as mortgages and car loans) to qualify for Chapter 13. The filing fee for a Chapter 13 is \$281.00.

Under Chapter 13, you keep all of your property, both exempt and non-exempt, as long as you resume making your regular payments on secured debt and keep current under the repayment plan that you propose. A repayment plan can last for up to five years. After finishing your payments, most of your unsecured debts are discharged.

**Chapter 11.** Chapter 11 is designed primarily for business reorganization, but is also available to consumer debtors. Its provisions are quite complex. In the vast majority of cases, Chapter 11 is unnecessary and too expensive for most consumer debtors. The filing fee for Chapter 11 is \$1,039.00.

**Chapter 12.** Chapter 12 lets family farmers repay their debts over a period of time, and is in many ways similar to a Chapter 13. The filing fee for a Chapter 12 is \$239.00.

**Credit Counseling.** Reputable credit counselors can advise you on managing your money and your debts. They may also be able to develop a plan to repay your debts. Unfortunately, many credit counselors are not reputable and charge high fees and contributions that will cause you to fall deeper into debt and damage your credit rating. Furthermore, many misrepresent their non-profit status and/or their affiliations with religious or charitable organizations, and are little more than collection agents for the credit card companies.

Under the changes to the Bankruptcy Code that took effect October 17, 2005, you are required to take two short credit counseling courses, one before you file bankruptcy, and one after you have filed. We will refer you to a reputable credit counselor who has been approved by the United States Trustee Department for these courses.

**BAPCPA REQUIRED NOTICE NO. 2 (§ 527(a)(2) of the Bankruptcy Code)**

**NOTICE OF MANDATORY DISCLOSURE TO CONSUMERS WHO CONTEMPLATE FILING BANKRUPTCY**

1. All information that the assisted person is required to provide with a petition thereafter during a case under this title is required to be complete, accurate and truthful.
2. All assets and all liabilities are required to be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in section 506 must be stated in those documents where requested after reasonable inquiry to establish such value.
3. Current monthly income, the amounts specified in section 707(b)(2) and, in a case under chapter 13 of this title, disposable income (determined in accordance with section 707(b)(2)), are required to be stated after reasonable inquiry; and
4. Information that an assisted person provides during their case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the case under this title or other sanction, including a criminal sanction.

**BAPCPA REQUIRED NOTICE NO. 3 (§ 342(b)(2) of the Bankruptcy Code)**

**FRAUD & CONCEALMENT PROHIBITED**

If you decide to file bankruptcy, it is important that you understand the following:

1. Some or all of the information you provide in connection with your bankruptcy will be filed with the bankruptcy court on forms or documents that you will be required to sign and declare as true under penalty of perjury.
2. A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both.
3. All information you provide in connection with your bankruptcy case is subject to examination by the Attorney General.

**BAPCPA REQUIRED NOTICE NO. 4 (§ 527(b) of the Bankruptcy Code)**

**IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES**

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. **THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST.** Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine. An attorney can help guide you through this intricate process, making it easier and less stressful for you.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you will be questioned by a court official called a "trustee" and, much more rarely, by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts. It may not be in your best interest to reaffirm a debt.

If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which, if held, will be before a bankruptcy judge.

If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief. However, please be advised that in most cases, you will only be concerned with chapter 7 and chapter 13.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.

**NOTICE TO CHAPTER 7 CLIENTS  
REGARDING EXECUTION OF REAFFIRMATION AGREEMENTS**

Please be advised that as part of your Chapter 7 bankruptcy petition filing there is a document called a Statement of Intention. This document indicates your intentions with respect to your obligations regarding secured debt. The most common example of secured debt is a house and a car. Having a secured debt also means that a creditor can repossess the collateral in the event payments are not made.

At the time secured debt is created there are essentially two transactions occurring at one time. The first part of the transaction is a Note which is sometimes better understood as an IOU. It is your personal obligation on the note that allows a creditor to pursue you after repossession and sale of the collateral (i.e. after the sale of house or the car or other security pledged). The second part of the transaction is a Security Interest in the object that was purchased. The security interest in a home purchase transaction is the home itself. This transaction is generally referred to as a "Mortgage". In a vehicle purchase, the security interest is in the automobile purchased. In a vehicle purchase the security interest is created by placing a lien on the motor vehicle title.

When one files Bankruptcy, the Note, (in other words the "IOU"), portion of the debt is extinguished after the Entry of Discharge. In other words, you are no longer personally liable. However, the secured creditor's lien rights with relation to the collateral, (i.e. the house or the car), are not extinguished. Accordingly, the creditor has the right to repossess the collateral if payments are not made post-bankruptcy.

With the foregoing background information in mind, you may be asked by some secured creditors to sign a Reaffirmation Agreement. This agreement personally re-obligates you on the Note or IOU portion of the obligation. Accordingly, in the event of a future nonpayment, not only can the secured creditor repossess the collateral, and sell it at a public auction, the secured creditor can also seek a deficiency balance (i.e. any remaining balance due on the IOU after the sale), directly from you even though you have filed bankruptcy.

For this reason, I **DO NOT** recommend that individuals sign Reaffirmation Agreements after filing Bankruptcy. The reason for this is that if you do NOT sign the Reaffirmation Agreement and the secured creditor repossesses the collateral for nonpayment, then this is the creditor's only remedy. In other words, they may not seek direct payment for any deficiency against you post-Bankruptcy. As a result, if the collateral is ever repossessed for nonpayment, you are free and clear of the debt. You may in effect "walk away" from the obligation.

However, a potential problem that may arise when not signing a reaffirmation agreement is that the secured creditor may take the position that, in the absence of the executed reaffirmation agreement, whether you are current or not current, they are entitled to repossess the collateral. **I view the likelihood of the collateral being repossessed when payments are current and being made on an ongoing basis, to be unlikely with most creditors. However, some creditors such as Ford Motor Credit and Chrysler Credit will repossess the collateral even if payments are current. If you have one of these creditors then you must sign a reaffirmation agreement to continue using the collateral.**

It is my opinion that it is worth taking the risk of repossession in order to avoid a deficiency judgment in the future in the event of non-payment. As we all know, negative financial situations are just as likely to occur after Bankruptcy as they are before. In the event of a death, divorce, dissolution or job loss, you may find yourself unable to make payments on secured debt that you previously wanted to keep. If such a thing should happen after Bankruptcy, you will be doing appropriate planning by not signing a Reaffirmation Agreement.

Another potential problem is that creditors may sometimes refuse to provide information, payoffs, or send monthly statements to persons who have not signed a reaffirmation agreement. In my experience, this information is eventually provided once the Bankruptcy discharge is entered. In my opinion, it is worth this minor nuisance to gain the advantage of being able to walk away from a house or car in the future without adverse financial consequences.