

Chapter 13 Orientation

WHAT YOU NEED TO KNOW TO ACHIEVE YOUR FRESH START
BARBARA FOLEY

THINGS TO KNOW

- How to make payments, follow this link:
www.chpt13.com/debtors/makepayments.html for payment options.
- How to monitor the case: <https://www.ndc.org/login>
- How to reach the Trustee's website: www.chpt13.com
- How do I know what is going on in my case? Immediately open and read all communications (letters, emails) from the Trustee, your attorney, and the Court.
- How do I borrow money while in bankruptcy? Borrowing money is NOT allowed without Court permission. This includes (but is not limited to) 401(k) loans, refinancing your home, and buying or leasing a vehicle.

Who is my Trustee and how do I contact her office?

Your Chapter 13 Trustee is Barbara Foley. You can reach our office at (269) 343-0305.

Trustee Foley and her professional staff are here to help answer any procedural questions concerning your plan. HOWEVER, email is the best method for contact. Use this email address: Comments@chpt13.com.

Trustee Foley has a website with information for you. Trustee Website: www.chpt13.com.

ALSO: You have access 24/7 to your account at <https://www.ndc.org/login>.

Please note: The Trustee is NOT the Bankruptcy Court.

How will I make my payments into the plan?

The most common method of payment is through **payroll deduction**. Your employer will be sent paperwork to begin the process. This often takes some time to take effect. Until such deductions begin, **YOU** are responsible for making direct payments to the Trustee. Payments must clearly show your name and case number.

For those with no wage income, two other payment platforms are available. Please review the Trustee website at Trustee website: www.chpt13.com/debtors/makepayments.html for payment options.

Direct payment by Cashier's Check, Money Order or Personal Check is allowed but discouraged.

DO NOT SEND CASH

Mail all payments to the Trustee's bank lockbox. No payments will be accepted at the Trustee's Office.

Payments must be made payable to: **Chapter 13 Trustee—Barbara Foley**

Payments are to be mailed to: **P.O. Box 1818
Memphis, TN 38101-1818**

Payments sent to any other address will result in serious delays and possible dismissal of your case.

Remember, no payments can be made at our office or to any staff member at any time.

What is a Payroll Order?

A Payroll Order is the way to fund your plan easily. A **Payroll Order** will be issued to your employer. Your employer will then make your plan payments for you by deducting the payment from your pay and sending that money to the Trustee's bank. (This money will be deducted in

equal installments determined by the frequency of your pay, not in one lump sum.) This order **IS NOT** an attachment or garnishment.

It is essential for **YOU** to make direct payments to the Trustee's bank until you see the plan payments being deducted from your paycheck.

May I make extra payments or send extra money to the Trustee's Office?

While it is possible to make extra payments you should always discuss your options with your attorney before sending in additional payments. In some cases, it may not be in your best interest to make extra payments. Your attorney can advise you of your options.

What happens if I miss a payment?

The plan will not work if payments are not received. If you have an interruption in employment, please contact your attorney's office immediately. Your attorney needs to keep the Trustee informed. Staying in touch with your attorney can possibly avoid a motion to dismiss your case.

If payments are missed, the expected completion date may change. You cannot complete your plan as originally proposed if you do not make all your payments into the plan!

What happens if I am laid off, on strike or on sick leave?

Payments are still due, even if you are on vacation, sick, on strike or laid off. Please contact your attorney's office immediately and make arrangement to pay something directly until you return to work, even if it is not a full payment. Remember to keep records of the payments made. When you return to work, remit direct payments in addition to your regular payments to cure the default.

What happens if I receive a bonus check or vacation check and a deduction has been taken for Chapter 13?

Read your plan and payment order. If the money was supposed to go to you notify your attorney immediately so that the funds may be returned to you.

PLEASE NOTE: If your payments are delinquent at the time we receive the payment contact your attorney to discuss your options.

If I am entitled to a check from the Trustee's Office, can I come down to the Chapter 13 Office and pick up my check?

No. We mail all payments.

When is my first payment due?

Your first payment is due within thirty (30) days of the date your case was filed. For example, if your bankruptcy was filed on January 2, your first payment is due by no later than February 1.

Failure to make your first payment within thirty days of filing will result in the Trustee's office filing a motion to dismiss your case.

What if I have a problem with my employer because of filing Chapter 13 Plan?

99% of employers are very cooperative with payroll orders for employees in Chapter 13. If your employer has any questions or concerns about the payroll order, advise the Trustee's Office and we will contact your employer.

What happens if I change jobs?

If you change jobs, especially if your plan payment is being paid through a payroll deduction, notify your attorney **immediately**. A new payroll order must be prepared for your new employer. Remember, if there is a delay between the time the payments through your old employer and payments through your new employer, **you** are responsible for making direct payments to the Trustee.

Do you need to know if I move?

YES. The Trustee must have your current address at all times in order to mail important documents throughout the life of your plan. Any time you change your address, you must notify the Trustee's office, the Court, and your attorney **in writing**. All correspondence should be mailed to our physical address at:

**Chapter 13 Trustee Office
PO Box 51109
Kalamazoo, MI 49005**

This address is for correspondence only. Never send a payment to the physical address.

What if I have legal questions?

The Trustee and staff **cannot** give legal advice. All legal questions concerning your case, a creditor, your rights, your options, or changes in your situation should be directed to your attorney. Your attorney must continue to represent you if your case is active or until the Judge permits withdrawal from your case. In most cases, your attorney's legal fees will be paid through your plan payments.

How long will my plan last?

Upon entering a Chapter 13 plan, it is difficult to determine the exact duration of your plan. It is very rare for a plan to last the exact number of months in the original projection. A creditor may file a claim for a larger than anticipated amount, interest rates may change, or a forgotten creditor may need to be added, any of which could add to the length of your plan. On the other hand, some creditors may not file a Proof of Claim, thus shortening your repayment time.

Although the length of your plan is influenced by many factors that may change during your plan, for the most part, no plan is allowed to exceed sixty months. If this situation occurs, the Trustee may file a Motion to Dismiss. Both you and your attorney will receive a copy of that Motion. **READ ALL YOUR MAIL. Open any mail or emails you receive from the Trustee's Office immediately.** Failure to respond to that Motion will result in the dismissal of your case.

Will my creditors continue to call?

All the creditors listed in your Chapter 13 Plan have been sent a notice advising them of the filing of your plan. They are subject to an Automatic Stay Order that prohibits them from contacting you. In the event that you are contacted, do not discuss the debt with them, but instead, give them your Chapter 13 case number and the name of your attorney. Get the name of the person contacting you and report it to your attorney immediately.

It is important to note that an automatic stay does not prohibit contact initiated by you. You might need to contact a creditor to obtain information on interest paid on a particular debt. This would most likely be needed for filing your tax returns.

What if I forgot to list a creditor?

Creditors not listed when you filed your case may cause problems. There are two kinds of unlisted creditors. The first type is a creditor to whom you owed money when you first filed your plan and whom you forgot to list (“pre-petition creditors”). Remember this includes all relatives and friends to whom you owe money. It may be wise to obtain your credit report to make sure there are no debts that you may have forgotten. If there are, contact your attorney to have those creditors added to your plan right away.

The second type of creditor is one whose debt was incurred **AFTER** you filed the plan (“post-petition creditors”). Post-petition creditors are rare. Your attorney explained to you that borrowing money is generally not allowed while you are in a Chapter 13 plan. However, medical expenses and repair bills cannot always be avoided. You need to pay these bills directly as they cannot normally be added to your plan. If there are unusual circumstances, you should contact your attorney. Under certain circumstances, taxes and debts necessary for the success of your plan may be added later and paid through the plan. Contact your attorney if you think that you have incurred such a debt. Normally, your Trustee cannot and will not allow you to miss a Chapter 13 payment so that you can pay “new debts.”

How will my creditors be paid?

Your payments to the Trustee are used to pay your creditors, your attorney, and the Trustee. Creditors fall into general categories: secured, priority and unsecured. The Trustee makes monthly payments usually to the secured and priority creditors first. After these creditors are paid in full, your payments are then divided among unsecured creditors. Unsecured creditors may not receive payments for many months or even years.

As noted, your creditors cannot deal directly with you. Likewise, you cannot deal directly with them. You cannot favor one creditor over another or make payments “on the side.” All creditors

scheduled in your plan must be paid through the plan, under the terms of the law and not because of personal preference.

Why do creditors have to file a Proof of Claim with the Court?

To be paid, each creditor must file a claim after receiving notice of your Chapter 13. The creditors have a limited time to file the claim. If they fail to do so, they most likely will not receive payments in the plan.

Several months after the filing of your case, you will receive a document called the Trustee's Notice of Intent to Pay Claims. This document lists all the creditors in your plan and discloses whether or not a claim has been filed. Carefully check the listing for accuracy.

CONTACT YOUR ATTORNEY IF ANY OF THE CREDITORS OR AMOUNTS APPEAR INACCURATE.

If there is a creditor you want paid through your plan and that creditor has not filed a claim, contact your attorney promptly about filing a claim for the creditor. Remember this includes all relatives and friends to whom you owe money.

How will my house payment be handled?

If you are delinquent in your mortgage payments at the time you file your bankruptcy, your mortgage payments must be made through the Trustee's Office. This means your mortgage payment amount is included in the monthly plan payment you send to our office. Our office will then pay your mortgage holder both the monthly mortgage payment and anything you are behind on in mortgage payments.

If no mortgage delinquency existed at the time you file your petition, you have the option of making your payments directly to your mortgage holder. If you choose to exercise this option, **you** are responsible for making your regular monthly payments to the mortgage company. It is vital that you do so in a timely manner. If something unforeseen happens and you are unable to make a payment, contact your attorney immediately. The Trustee requires you send to the Trustee an annual statement that your mortgage payment is current while you are in the Chapter 13 bankruptcy.

Whether your mortgage payment is paid through the Trustee's Office or by you directly, **you must maintain adequate insurance on your home** if it is not included in your mortgage payment. If you are making your mortgage payments directly, please note that failure to make those payments on time could result in losing your home to foreclosure.

Please be advised that if your mortgage payments are being made through the Trustee's Office, you will resume making direct monthly mortgage payments after your plan is completed.

I am thinking about refinancing my mortgage, what do I do?

Contact your attorney. They can help you determine if this is in your best interest. Your attorney will need to know the terms of the new loan (i.e., interest rate and monthly payment). If you and

your attorney decide it is in your best interest to refinance your attorney will request approval from the Trustee office.

My plan includes a tax escrow. What do I do if I receive the tax bills?

If your Chapter 13 Plan includes a tax escrow to pay future property taxes while you are in bankruptcy you should mail all tax bills to the Trustee's Office for payment.

**Chapter 13 Trustee's Office
PO Box 51109
Kalamazoo, MI 49005**

Be sure to include your name and case number on the bill. DO NOT mail them to your attorney's office first.

Is my car payment included in my plan?

In most cases, your vehicle(s) loan payments will be included in your plan. **It is extremely important for you to maintain insurance on your vehicle.**

Please note, the Trustee does NOT hold your motor vehicle title. If you have any problem obtaining a motor vehicle title, you need to contact your attorney.

Will I get my income tax refund while in Chapter 13?

If you owe the IRS money, that debt must be paid through the plan and is classified as secured, priority or unsecured depending upon the circumstances. (Check with your attorney as to the classification(s) that apply to your tax debt.)

While in the plan, you must file your annual tax returns on time. If you have a tax debt paid in the plan and are owed a refund for the current filing period, you MIGHT NOT receive a refund. That amount may be retained by the taxing authority and credited to your debt.

If you do not owe taxes, you probably WILL receive that refund. It will be sent to you, not to the Trustee.

HOWEVER, unless the refunds are otherwise protected, you will pay your tax refunds to the Trustee while in this Chapter 13 bankruptcy. Each case is different, so contact your attorney about keeping or paying the tax refunds to the Trustee.

You must pay any post-petition taxes owed to the IRS. Failure to do so could lead to the dismissal of your case.

Will my co-signers be protected by my Chapter 13 plan?

If you have any questions about whether any co-signer on a debt is protected under the terms of your plan, make sure you talk to your attorney about their treatment in the plan.

What about credit while I'm in the plan?

Any use of credit or charge cards or entering loans of any kind are not allowed. In an emergency or unique circumstances, contact your attorney. Getting a loan without the Court's permission may jeopardize your Chapter 13 case and could lead to dismissal.

May I finance any major purchase while I'm in the plan?

You cannot finance any major purchase without first obtaining the Court's permission. Your attorney must submit the appropriate paperwork asking the Court to consider your request.

May I sell any of my property while I'm in the plan?

All your property is considered part of your bankruptcy estate. You cannot sell any major part of that estate, including, but not limited to, your home, car, land, without the permission of the Court. Your attorney must submit the appropriate paperwork asking the Court to consider your request.

May I continue making contributions to my 401(k)?

Generally, you may continue to make contributions at the same amount that you were contributing before you filed. You cannot increase the dollar amount of contributions. You cannot borrow money against the retirement account without Court approval. If you have any questions, please talk to your attorney.

Will I get payment statements from the Trustee?

At least once a year you will receive the Trustee's Annual Report which is an account of the money you paid into the plan and where that money went. The report will show the balance of all accounts being paid through your plan. Your attorney also receives a copy of the report. If you have any questions concerning the report, contact your attorney. Remember, **you have access 24/7 to your account at <https://www.ndc.org/login>.**

May I pay off my plan early?

If you want to pay your plan off early, you must first contact your attorney. Depending upon the circumstances of your case it may not be in your best interest to pay off the case early. Your attorney can discuss your options with you. If you and your attorney determine that paying off your case is in your best interest, your attorney will contact the Trustee's Office to obtain a payoff amount for your case. Before you are given a payoff, your entire file must be reviewed. This can be a lengthy process; your patience is appreciated.

What does it mean to have my case dismissed?

A case may be dismissed either by you or by the Court. The Court can dismiss your case if you fail to maintain payments. Also, you have the right to voluntarily dismiss at any time by notifying your attorney.

Fixed and timely Chapter 13 plan payments are a requirement of the bankruptcy. It is your responsibility to maintain those payments. A deficiency in plan payments could result in the involuntary dismissal of your case. Either the Trustee or a creditor may file a Motion to Dismiss with the Court. You and your attorney will be notified of the action.

In the event of a dismissal, either voluntary or involuntary, **all creditors can resume recovery actions (lawsuits, garnishments etc.)** and may add any interest and penalties that were suspended while in your Chapter 13 plan.

If your income is reduced, hindering your ability to continue in the plan, contact your attorney immediately. They may be able to modify your plan to lower your payments. The Trustee's Office has no authority to let you miss a payment or to allow you to pay less than the required amount. Only the Court can do so in response to a motion filed by your attorney. Do not change or stop payments until you receive a signed order from the Court allowing you to do so.

What happens when I complete my plan?

When the Trustee has verified that all your creditors have been paid as your Chapter 13 plan directed, the Trustee takes steps to close your case.

If you have a payroll order, the Trustee will notify your employer to stop the payroll deduction.

If you have an ACH bank withdrawal payment, the Trustee will stop that payment process.

If an unnecessary deduction is taken, it will be refunded to you as soon as possible. Any overpayment on your case will be released to you.

The Trustee must audit your case and submit a final report and account to the Court before your case can be closed. Careful auditing takes time. You will receive a copy of the report itemizing all money transactions, receipts, claims filed, and amounts of disbursements. You will receive an Order of Discharge from the Bankruptcy Clerk.

These are very important documents - keep them in a safe place.

What happens to any debts that are not paid in full?

If your unsecured creditors did not receive the entire amount originally owed to them, for the most part, all remaining balances will be “discharged” or legally forgiven upon the completion of your plan. Creditors cannot resume collection activity on these debts.

There are exceptions for student loans, child support obligations, some personal income taxes, and some fines. These are not discharged.

Mortgage debts generally continue after plan completion. You will make those payments after Chapter 13 is completed. Talk with your attorney if you have a specific question about a particular debt.

What about debts paid in full after completion of the plan?

When a creditor has been paid in full through the plan, the creditor may, upon your request, send the “paid in full” papers to you. Court records will show your plan was paid in full according to your plan and will not allow any claim a creditor might make for additional money from you. Should you receive a request for additional money after your plan is completed, review the matter with your attorney.

Please note, the Trustee does NOT hold your motor vehicle title. If you have any problem obtaining a motor vehicle title, you need to contact your attorney.

How long will my bankruptcy filing be reflected in my credit report?

Your Chapter 13 bankruptcy will be reflected on your credit report for many years.

Obtain A Free Credit Report

Free annual credit reports are available upon a consumer’s request, pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“FACT”). Consumers can request their reports from all three major credit reporting agencies.

Get your credit report at: <http://www.AnnualCreditReport.com>

Is there life after debt?

ABSOLUTELY! Completing a Chapter 13 plan is an accomplishment of which you will be proud, and rightfully so. This Trusteeship strongly believes in providing learning opportunities for you while it serves as a channel for your debt repayment.

DEFINITIONS

341 Meeting - Also called a Meeting of Creditors. This is a recorded meeting between the debtor, the Trustee, the debtor's attorney, and creditors at which the debtor is questioned under oath about the debtor's assets, liabilities, income, expenses, and the debtor's proposed repayment plan. Debtors are required by law to attend. They must provide a state issued photo I.D. (driver's license or state ID) and social security number verification before the hearing can take place. They may also be required to bring certain other information or documents. If so, they will be advised by their attorney.

Assets - Real or personal property such as land, houses, vehicles, furniture, clothes, bank accounts, retirement accounts, tax refunds, claims against others, etc.

Automatic Stay - An automatic Court order requiring the halt of all collection activity on pre-bankruptcy debts. The automatic stay goes into effect upon the filing of the case.

Bankruptcy Estate - In Chapter 13, all assets belonging to the debtor at the time the bankruptcy petition is filed along with income the debtor earns after filing the petition. (A spouse's income or property may be part of the bankruptcy estate, and some property, such as inheritances, divorce settlements and life insurance due within 180 days of the petition date may also be part of the bankruptcy estate.)

Bar Date - Deadline for creditors to timely file a claim for payment from the bankruptcy estate.

Chapter 7 - This chapter of the Bankruptcy Code permits debtors to request a discharge for a surrender of or sale of all debtors' non-exempt assets. A Trustee is appointed to collect and sell all the debtors' non-exempt assets and distribute the net proceeds to creditors. The Chapter 7 discharge is more limited than the Chapter 13 discharge.

Chapter 13 - Chapter 13 allows an individual debtor (and spouse) to propose a plan to pay creditors. The length of time of the bankruptcy and the amount paid will depend on your income on your debts.

Co-Debtor - An individual who signs a note or contract with a debtor or guarantees a debtor's debt.

Co-Debtor Stay - This is an automatic stay which protects persons who did not file bankruptcy but who are liable on the same consumer debt along with the debtor. Joint cardholders or co-signers of a debt are protected by the Co-Debtor stay, but only to the extent the debtor's plan proposes to repay the debt, including interest at the contract rate. In order to protect the Co-Debtor, the co-signed debt must be paid in full at the contract rate of interest. This Co-Debtor protection is available only in Chapter 13 cases.

Collateral - Property pledged as security for the payment of a debt.

Confirmation - The official act of the bankruptcy Court approving a Chapter 13 re-payment plan.

Co-Signed Debt - Debt for which more than one person is legally responsible.

Conversion - Changing a bankruptcy case from one chapter to another.

Court - The United States Bankruptcy Court in which a case is pending. Sometimes the bankruptcy judge is called “the Court.” **Chapter 13 Trustee IS NOT located at or a part of the Bankruptcy Court.**

Cram Down - It is the process by which a creditor’s secured claim is split into a secured and an unsecured amount with the secured portion equal to the value of the collateral and the unsecured portion being the balance of the claim. The creditor ends up with two separate claims that may be treated differently under the plan.

Credit Grantor - One who gives a loan or line of credit; also referred to as the creditor.

Cure Defaults - Bring bills that were past due current and up to date during the term of the plan.

Debt - Money that is owed to another.

Debtor - A person or entity who owes a debt. A person or entity who files a bankruptcy case.

Default - Not doing precisely all that is agreed to within a given time, such as not making a plan or house payment.

Delinquent - Overdue, not paid on the agreed due date.

Discharge - Discharge of debts is one goal in a bankruptcy filing. All of the debtor(s)’ dischargeable debts become legally non-collectible by any creditors, unless a specific debt is non-dischargeable or is determined to be non-dischargeable by the Court, upon entry of a Court order called the discharge. A discharge order is a permanent Court order stopping the collection of any dischargeable pre-petition debt.

Dismissal - An order ending the bankruptcy case before successful completion and discharge. This order allows creditors to restart legal actions for collecting the debt involved in the bankruptcy.

Disposable Income - Money the debtor has available that is not required for reasonable living expenses of the debtor or dependents of the debtor.

Escrow - An account held in trust or as security.

Estate - All that a person owns, including both inheritable and movable property that can be moved or displaced, such as personal property.

Exemptions - Certain property belonging to a debtor not counted as part of the bankruptcy estate. Under the Bankruptcy Code, the debtor is allowed to keep certain property in order to have a “fresh start.” Each state is allowed to create its own exemptions. In some states, the debtor may have the option to choose which exemptions will be followed, either the exemptions

designated by the state in which the debtor resides, or the federal exemptions set forth in the Bankruptcy Code. An exemption usually does not affect an agreed to lien. So, even though a debtor's house or car may be exempt, unless the lien is legally voided by the Court, the debtor still must pay any debt secured by such lien in order to keep the property.

Fair Market Value - The price at which a seller is ready and willing to sell and a buyer is ready and willing to buy on the open market and in a transaction where the parties are not related or not on close terms and have roughly equal bargaining power.

Feasibility - Likelihood that all payments due under a debtor's Chapter 13 plan will be paid. It is a requirement for Court approval (confirmation) of a plan.

Foreclosure - Takes away the debtor's ownership rights in pledged or mortgaged property through legal action which produces money to pay on the debt secured by the mortgage.

Fraud - A false statement of an important fact intentionally made by a debtor to a party who justifiably relies on the statement and is harmed as a result.

Guarantor - Person who promises to repay a debt made by another.

Insolvency - The inability of the debtor to pay current bills as they become due or when a debtor's liabilities exceed the value of the debtor's assets.

Joint Bankruptcy - A single bankruptcy case filed by a married couple.

Lien - A creditor's right to property of a debtor, *i.e.*, mortgage or security interest.

Liquidation - Selling assets for cash to use to pay creditors.

Matrix - List of names and addresses of each creditor arranged in a particular order on a page.

Meeting of Creditors - See 341 Meeting.

Modification of a Plan - (also known as Amended Plan) Changes to a plan filed in a Chapter 13 bankruptcy. Once a plan is confirmed the plan may only be modified with the Court's approval after notice to affected parties.

Motion - A formal request to a Court for an order to allow or require a specific action.

Necessities - Items of property or services that are required for living a normal life without being excessive. For example, food, clothing, shelter, etc.

Non-dischargeable debt - Certain debts not covered by the debtor's discharge, including IRS debt, alimony, student loans, criminal fines and restitution, and debts for any drunk driving violations. If a debt is non-dischargeable, legal collection activity can resume regarding the debt after the case is over.

Objection to Claim - A pleading (a legal document) filed by the debtor, debtor's attorney or Trustee that disagrees that the debt is owed or that the amount claimed is correct.

Order - A formal ruling by a judge allowing or requiring a specific action or deciding a disputed matter.

Perjury - Lying under oath. Perjury can be a false oath orally, such as during the meeting of creditors, or in writing in the schedules.

Petition - The two-page document filed with the bankruptcy Court used to begin a bankruptcy case. Other documents (such as schedules of assets, liabilities, income and expenses, statement of financial affairs, statement of intention, etc.) are often attached or must be filed in the bankruptcy Court within 15 days, or some other time as permitted by a Court order.

Petition Date - The date the bankruptcy petition is filed with the bankruptcy Court clerk.

Post-Petition - Any event occurring after the petition date.

Post-Petition Debts - Any debt created after the filing of the petition in the bankruptcy Court. Post-petition debts may not be dischargeable or protected by the automatic stay.

Pre-Petition Debts - Any debt which exists at the time of filing your bankruptcy petition.

Preference - A pre-petition payment to a creditor which allows the creditor to receive a greater percentage of their debt than that received by similar creditors. The Trustee may require the creditor to give back certain preferential payments, so that the money can be divided equally among all similar creditors.

Priority Debts - Unsecured debts that must be paid in full under a Chapter 13 plan. Such debts include Trustee fees, debtor(s)' attorney fees, certain income taxes, and alimony and child support.

Property - Real or personal property such as land, houses, vehicles, furniture, clothes, bank accounts, retirement accounts, tax refunds, claims against others, etc.

Pro Rata Basis - Divided proportionally.

Proof of Claim - A form used to file a claim to receive payment from the bankruptcy estate. The debtor or Trustee may file proof of claim.

Relief from Stay - In certain situations, a creditor may obtain an order for relief from the automatic stay to allow it to enforce its claims, pursue collections against a debtor, or conduct any other activity that would otherwise violate the automatic stay. When an order for relief is granted by the Court (sometimes called "lifting" the stay), the automatic stay protection is canceled as to the particular debt involved.

Sanction - A penalty, usually a money fine, against a party or their attorney for violating a bankruptcy Court order.

Schedules - Written information given by the debtor and filed with the bankruptcy Court on the day of filing of the bankruptcy petition or within 15 days thereafter. These forms provide

financial information about the debtor and must be completed under oath. These schedules include a list of assets and liabilities, a schedule of income and expenses, and a statement of financial affairs.

Secured Creditor - A creditor who has a lien on property.

Special Class - An unsecured claim or claims which the law allows to be treated differently than other unsecured claims, for example, some Co-signed debts.

Trustee (Chapter 13) - A person appointed to collect payments from the debtor or debtor's employer and pay them to creditors during a 3- to 5-year period pursuant to a Court approved (confirmed) plan.

U.S. Trustee - A governmental entity that monitors the administration of bankruptcy cases in certain states.

Unsecured Creditor - A creditor whose debt is not secured by property or collateral. This would include credit card debts.