

Supplemental Notice to Individual Consumer Debtor

This notice is provided pursuant to 11 USC 527(a)(2), and is given in addition to the Notice to Individual Consumer Debtor(s) required pursuant to 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 conditions 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 you residential area, along with your actual monthly expenses for categories specified as Other Necessary Expenses for you, your spouse and your 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 not include payments for debts. 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 expense may include the continuation of actual expense 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.

You 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 the 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 case, in addition to the above, your monthly expense 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 you creditors), you will calculate your average monthly payments on account of secured debts, by calculating the sum of (a) the total of all amounts schedule 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 2 communications you have received from each creditor. Do not use the address provided by you creditor to send payments. Do use the address provided by your creditor for correspondence. You may use the balances due on the latest of the last 2 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 Internal Revenue Code, are not listed as subject to exemption because they are not property that the creditors can take. Those assets must still 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.

STATEMENT OF INFORMATION REQUIRED BY 11 U.S.C. §341

INTRODUCTION

Pursuant to the Bankruptcy Reform Act of 1994, the Office of the United States Trustee, United States Department of Justice, has prepared this information sheet to help you understand some of the possible consequences of filing a bankruptcy petition under chapter 7 of the Bankruptcy Code. This information is intended to make you aware of...

- (1) the potential consequences of seeking a discharge in bankruptcy, including the effects on credit history;
- (2) the effect of receiving a discharge of debts
- (3) the effect of reaffirming a debt; and
- (4) your ability to file a petition under a different chapter of the Bankruptcy Code.

There are many other provisions of the Bankruptcy Code that may affect your situation. This information sheet contains only general principles of law and is not a substitute for legal advice. If you have questions or need further information as to how the bankruptcy laws apply to your specific case, you should consult with your lawyer.

WHAT IS A DISCHARGE?

The filing of a chapter 7 petition is designed to result in a discharge of most of the debts you listed on your bankruptcy schedules. A discharge is a court order that says you do not have to repay your debts, but there are a number of exceptions. Debts which may not be discharged in your chapter 7 case include, for example, most taxes, child support, alimony, and student loans; court-ordered fines and restitution; debts obtained through fraud or deception; and personal injury debts caused by driving while intoxicated or taking drugs. Your discharge may be denied entirely if you, for example, destroy or conceal property; destroy, conceal or falsify records; or make a false oath. Creditors cannot ask you to pay any debts which have been discharged. You can only receive a chapter 7 discharge once every six (6) years.

WHAT ARE THE POTENTIAL EFFECTS OF A DISCHARGE?

The fact that you filed bankruptcy can appear on your credit report for as long as 10 years. Thus, filing a bankruptcy petition may affect your ability to obtain credit in the future. Also, you may not be excused from repaying any debts that were not listed on your bankruptcy schedules or that you incurred after you filed for bankruptcy.

WHAT ARE THE EFFECTS OF REAFFIRMING A DEBT?

After you file your petition, a creditor may ask you to reaffirm a certain debt or you may seek to do so on your own. Reaffirming a debt means that you sign and file with the court a legally enforceable document, which states that you promise to repay all or a portion of the debt that may otherwise have been discharged in your bankruptcy case. Reaffirmation agreements must generally be filed with the court within 60 days after the first meeting of the creditors.

Reaffirmation agreements are strictly voluntary — they are not required by the Bankruptcy Code or other state or federal law. You can voluntarily repay any debt instead of signing a reaffirmation agreement, but there may be valid reasons for wanting to reaffirm a particular debt.

Reaffirmation agreements must not impose an undue burden on you or your dependents and must be in your best interest. If you decide to sign a reaffirmation agreement, you may cancel it at any time before the court issues your discharge order or within sixty (60) days after the reaffirmation agreement was filed with the court, whichever is later. If you reaffirm a debt and fail to make the payments required in the reaffirmation agreement, the creditor can take action against you to recover any property that was given as security for the loan and you may remain personally liable for any remaining debt.

OTHER BANKRUPTCY OPTIONS

You have a choice in deciding what chapter of the Bankruptcy Code will best suit your needs. Even if you have already filed for relief under chapter 7, you may be eligible to convert your case to a different chapter.

Chapter 7 is the liquidation chapter of the Bankruptcy Code. Under chapter 7, a trustee is appointed to collect and sell, if economically feasible, all property you own that is not exempt from these actions.

Chapter 11 is the reorganization chapter most commonly used by businesses, but it is also available to individuals. Creditors vote on whether to accept or reject a plan, which also must be approved by the court. While the debtor normally remains in control of the assets, the court can order the appointment of a trustee to take possession and control of the business.

Chapter 12 offers bankruptcy relief to those who qualify as family farmers. Family farmers must propose a plan to repay their creditors over a three-to-five year period and it must be approved by the court. Plan payments are made through a chapter 12 trustee, who also monitors the debtor's farming operations during the pendency of the plan.

Finally, chapter 13 generally permits individuals to keep their property by repaying creditors out of their future income. Each chapter 13 debtor writes a plan which must be approved by the bankruptcy court. The debtor must pay the chapter 13 trustee the amounts set forth in their plan. Debtors receive a discharge after they complete their chapter 13 repayment plan. Chapter 13 is only available to individuals with regular income whose debts do not exceed \$1,000,000 (\$250,000 in unsecured debts and \$750,000 in secured debts).

AGAIN, PLEASE SPEAK TO YOUR LAWYER IF YOU NEED FURTHER INFORMATION OR EXPLANATION, INCLUDING HOW THE BANKRUPTCY LAWS RELATE TO YOUR SPECIFIC CASE.

**IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE
SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER**

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.

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 income 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 may be questioned by a court official called a "trustee" and 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.

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 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.

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.