

**TOP THINGS TO REMEMBER
ABOUT THE TRUSTEE'S OFFICE
AND YOUR CHAPTER 13 CASE**

1. **Know your case number.**
2. **Make your payments. Send your payments in time for the payments to *reach* the Trustee's office by the 22nd of the month.**
3. **Send letters to the Trustee at the correspondence address.** The Trustee's correspondence address is P.O. Box 8202, Little Rock, AR 72221-8202. Do not send payments to the correspondence address.
4. **Keep your attorney and the Trustee informed if your address or employment changes.**
5. **Contact your attorney and the Trustee's Office *before* you buy, sell, pay off or trade vehicles or other property.**
6. **Your plan term is an estimate. Your "plan base" is the minimum (lowest) amount that you may have to pay to complete your plan.**
7. **You have certain obligations to meet in order to receive a discharge at the end of your case.** These include completion of your plan payments; completion of an approved financial management course; and certification, if applicable, that any domestic support obligations are current. In order to receive a discharge, you must comply with these requirements.

WHAT YOU SHOULD KNOW ABOUT YOUR CHAPTER 13 CASE

Note: This booklet is intended to provide general information regarding your Chapter 13 case and to familiarize you with procedures that will occur during your case. This booklet is not intended to constitute legal advice and does not address every situation that may occur during your Chapter 13 case. The Trustee's office does not represent you or any other debtors. Any legal questions should be directed to your attorney.

INTRODUCTION

Chapter 13 Bankruptcy, codified at 11 U.S.C. §§ 1301, *et seq.*, is one method under the United States Bankruptcy Code to obtain relief from collection actions of your creditors while at the same time providing a fair means to repay creditors as much as you can. Chapter 13 cases have gained widespread acceptance as an alternative to the liquidation provisions of Chapter 7 of the Bankruptcy Code. A Chapter 13 case allows you to keep most, if not all, of your property while you pay your creditors pursuant to the provisions of a confirmed Chapter 13 plan. In a Chapter 13 case, you may be able to modify some promised payments, interest rates and lengths of obligations. Creditors can take action against you **only** with Bankruptcy Court permission.

ABOUT YOUR CASE

YOUR CASE NUMBER

At the time your Chapter 13 case was filed, the Bankruptcy Court assigned your case a number. **This number is very important.** It should appear on all payments and any correspondence. You will need it whenever you call or write to the Trustee's office or when you make a payment to the Trustee.

YOUR ATTORNEY

Under the rules of the Bankruptcy Court, your attorney must continue to appear and represent you for as long as your case is active or until the Bankruptcy Judge permits your attorney to withdraw from your case. If you have a legal question regarding your case, your bankruptcy rights or the steps that you should take in your case, **consult your attorney.** **Your attorney is your representative and your advocate in your bankruptcy case.**

Your attorney may be paid his or her legal fee through your Chapter 13 plan. Make sure that you and your attorney have fully discussed the legal fee to be paid and whether additional legal services rendered during your plan will cost you additional amounts or whether the initial fee will cover all legal services. All legal fees must be reviewed and approved by the Bankruptcy Court. If you change attorneys during your Chapter 13 case, the name and address of your new attorney should be provided to the Trustee and the Bankruptcy Court.

YOUR ADDRESS

The Trustee must have your exact mailing address for as long as you are in bankruptcy. All notices, letters, checks, etc., will be mailed to the address that you placed on your Bankruptcy Petition, unless you or your attorney provide another address in writing at a later date. If you move or change your address, **you are required to inform your attorney, the Trustee and the Bankruptcy Court, in writing, of your new address immediately.**

CONTACTING THE TRUSTEE'S OFFICE

The Chapter 13 Trustee's phone number is (501) 537-4400. The office is open five days a week from 8:30 a.m. to 4:00 p.m. If you have a non-legal question that your attorney cannot answer, you may call the Trustee's office during those hours. Do not feel that you have to talk personally with the Trustee; the staff is familiar with the policies and guidelines in Chapter 13 cases and is well-qualified to discuss any problems or questions that may arise. **The Trustee and his staff cannot give legal advice. You should direct all legal questions to your attorney.**

ABOUT YOUR PLAN

CHAPTER 13 PLAN

At the time of your bankruptcy filing or shortly thereafter, you filed a Chapter 13 plan. This plan specifies the payments you are to make while in bankruptcy; the number of months in your plan; and how your creditors and others are to be paid. It is the intent of the Trustee to pay your creditors as described in your plan. If a change needs to be made to the treatment of creditors or your payment amount, your plan generally will have to be modified by your attorney in order for the Trustee to make the changes. If you have questions regarding your plan or treatment of creditors, contact your attorney or the Trustee's office.

PAYMENTS

You are responsible for making your Chapter 13 plan payments according to the terms stated in your plan. Whenever possible, your Chapter 13

payments should be made through an employer payroll deduction. Payment through employer deduction helps maintain regular and timely payments.

There are many ways to make your plan payments:

A. PAYROLL DEDUCTION. If you have an employer and want your employer to send your payment, you may request payroll deductions. You need to contact the Trustee's office. There are no fees associated with payroll deductions.

B. ON-LINE. You have a choice:

**TFS
or
E-PAY**

Go to the Trustee's website, www.ark13.com, to register.

1. E-pay through Fifth Third Bank. A \$1.00 transaction fee will be added to transfer.

2 TFS. By using TFS, you can insure your monthly payments are made on time. You initiate each payment and pick the date and amount. TFS charges a fee for each payment. Sign up in advance at www.tfsbillpay.com or access TFS through the Trustee's website, www.ark13.com. More details on page 13.

C. BY PHONE. Use the E-pay system from your phone:

800-460-7514

More details on Page 14.

D. BY MAIL. It is recommended that you make your payments by money order or cashier's check. **Write your case number, name, and address on the check.**

Payable to: Jack W. Gooding, Trustee
Address: 4030 Momentum Place
Chicago, IL 60689-5340

Please note that payments to creditors may be delayed when plan payments are made by personal check. Personal checks must clear your bank before funds can be disbursed by the Trustee, a process that can take up to 14 days. If your personal check is returned for insufficient funds or "bounces," the Trustee's office will require all future payments be made online or by cashier's check or money order.

PLAN LENGTH

Generally, a plan must have a length of 3-5 years. Please remember that the plan length is a close approximation of the actual plan length. The actual length depends on many factors which may change during the course of your plan. You may contact the Trustee's office if you have questions concerning the length of your plan.

It is rare for a plan to last the exact number of months originally scheduled in the plan. Often, a creditor files a claim that is larger than the amount you have listed for the claim. Accrued interest may affect the payment of a claim. Sometimes, a debtor forgets to list a creditor and the creditor must be added. Some creditors may not file a proof of claim, which may shorten the plan length.

Your plan shall not exceed 60 months, or five years. If your plan is proposed to exceed 60 months, the Trustee will object to confirmation of your plan. If you cannot complete your plan in 60 months, the Trustee will file a Motion to Dismiss your case. Your attorney should be able to help you address any problems concerning the plan length.

OBLIGATION TO PAY

Shortly after your case is filed, an Order to Pay Trustee will be issued. The Order to Pay Trustee orders you, or your employer through deduction from your wages or salary, to pay the Trustee the amount of your plan payment. You will receive a copy of the Order to Pay Trustee. Regardless of when the Order is received, **the Bankruptcy Code requires that your plan payments begin within 30 days after your case is filed.**

PAYROLL DEDUCTION ORDERS

At the time you filed your Chapter 13 case, the Bankruptcy Court may have issued an "Order to Pay Trustee" to your employer to deduct your plan payment from your paycheck and send it to the Chapter 13 Trustee. While you are under the protection of a Chapter 13 case, this Order prohibits your employer from honoring any garnishments, including back taxes. Deductions may continue for on-going child support obligations, or other obligations as allowed by the Order. It is important that both you and your employer understand that the withholding order is NOT a garnishment. A garnishment or attachment can come only from someone to whom you owe money, and you do not owe the Bankruptcy Court or the Trustee any money. The Trustee is carrying out a duty to administer the plan you voluntarily filed under Bankruptcy Court supervision. If your employer does not honor a wage attachment, inform your attorney and the Trustee's office immediately so that the appropriate action may be taken. If your employer has any questions, your employer may call the Trustee's office for an explanation.

Note: It can take several weeks for your payroll deduction to become effective. Until the payroll deduction takes effect, you should make your

plan payments directly to the Trustee. The Bankruptcy Court's willingness to confirm your plan may depend, in part, upon the good faith effort you demonstrate in making your payments prior to your confirmation hearing. If your employer fails to make a payroll deduction, you should inform your attorney that the deduction was not made and you should send the needed plan payment to the Trustee. **Pay attention to your pay stubs so that you can tell whether plan payments are being withheld.**

It is a good idea to keep your pay stubs to show that the deductions are taking place. If there is ever a discrepancy in your payment history, you will have complete records proving that the deductions were made. **Remember: If you receive a regular paycheck in which the Trustee payment is not withheld, you should immediately make the payment yourself.**

DISPOSABLE INCOME

If you obtain additional income while in bankruptcy, you should contact your attorney or the Trustee's Office. These funds may need to be paid to the Trustee for disbursement to your creditors pursuant to the provisions of your bankruptcy plan. Examples of additional income may include a raise in wages from your employer, a tax refund, sales proceeds, collection of lump sum amounts, an inheritance or funds from a lawsuit, such as a personal injury settlement.

FAILURE TO PAY

If the Trustee's office does not receive payments as required by your Chapter 13 plan, the Trustee, or possibly a creditor, will seek to have your case dismissed by filing a Motion to Dismiss. If a Motion to Dismiss is filed, you and your attorney will receive a copy.

ADJUSTMENTS OF PAYMENTS

It is important for you to let your attorney and the Trustee's office know if something interrupts your pay and makes it impossible for you to make your plan payments. If something happens to your job, you become disabled, get laid off or obtain a better job, consult with your attorney at once.

CHAPTER 13 BUSINESS CASE

A debtor with a business is subject to the same requirements, restraints and jurisdiction as individuals with only personal debts. Because a debtor engaged in business is self-employed and has no employer, the debtor is required to send plan payments to the Trustee directly.

A "business debtor" is required to file monthly reports and summaries of business operations with the Bankruptcy Court and to provide a copy to the Trustee. The Trustee will supply a business debtor with a set of forms to be

completed. A business debtor should contact his or her attorney if he or she has questions regarding business debtor status.

TAX RETURNS

At least seven days prior to the First Meeting of Creditors, a debtor, through his or her attorney, is required to provide a copy of the most recent tax return to the Trustee. Additionally, the debtor is required to provide proof of filing of all tax returns for the four years prior to the bankruptcy filing. The Trustee requires “proof” in the form of copies of the IRS Transcripts or copies of the returns for all four years. If you were not required to file tax returns, an affidavit may be provided.

FIRST MEETING OF CREDITORS

Each debtor in a Chapter 13 case must attend a “First Meeting of Creditors”, and provide a government issued picture ID and social security card or other verification of SSN. At the “First Meeting of Creditors”, the Trustee or his representative and any creditors will have the opportunity to ask questions regarding your financial affairs, including questions about your bankruptcy schedules, statement of financial affairs and plan. The meeting is recorded, and your answers are given under oath.

CONFIRMATION

Shortly after your First Meeting of Creditors is concluded, your plan may be eligible for confirmation. Confirmation means that your bankruptcy plan has been approved by the Bankruptcy Court. To be eligible for confirmation, at a minimum: (1) all objections to the plan should have been resolved; (2) all applicable tax returns should have been filed; and (3) all domestic support obligations should be current. After the plan is confirmed, the Trustee’s office will begin sending payments to your attorney and creditors according to your plan.

ABOUT YOUR CREDITORS AND CLAIMS **CONTACTS BY CREDITORS**

At the time of your bankruptcy filing, an “automatic stay” became effective which prohibits your creditors from attempting to collect the debts or claims owing prior to your bankruptcy filing. If you receive collection notices from your creditors, you should send the notices to your attorney. Often delinquency notices are sent “accidentally” by creditors before the creditors know that you have filed a bankruptcy case. Delinquency notices should not cause any great concern; however, if you receive personal contacts and payment requests, you should inform the creditors that you have filed a Chapter 13 bankruptcy case and provide your case number, date of filing, your attorney’s name and address and the Trustee’s name and address. Remember the name of the creditors who contact you so that you can report the contacts to your attorney. On the same note, you should refrain from contacting creditors after your bankruptcy is filed.

PAYMENTS TO CREDITORS

You cannot make “side deals” with creditors while you are in bankruptcy. You cannot pick and choose which creditors to pay because all of your debts must be addressed through your bankruptcy plan under Bankruptcy Court supervision. The Trustee will mail you and your attorney a copy of your Annual Summary Report once a year. The report will show the payments received by the Trustee and payments made to creditors by the Trustee. You should review the report when you receive it so that you can make sure that payments are being disbursed as you understand your plan terms. If you have questions regarding the payments made by the Trustee to your creditors, you should contact your attorney and the Trustee’s office immediately.

CLAIMS OF CREDITORS

While the creditors that you list in your Chapter 13 case are given the opportunity to file a claim for repayment, the creditors generally are allowed only 90 days from the first date set for the Meeting of Creditors to file their claims. Approximately five months after your First Meeting Of Creditors, the Trustee’s office will send you a list of creditors who have filed claims in your case and the amounts that the creditors have claimed that you owe. **You should read and examine this list, called a “Summary Notice of Claims,” very carefully.** If a creditor is listed incorrectly or any amount claimed does not appear correct, contact your attorney at once. **Unless your attorney objects to a claim, the Trustee’s office will “allow” the amount that the creditor requests in the creditor’s proof of claim as the correct amount of the claim, not the amount listed on your petition.** If a creditor does not file a claim within the time allowed and you want the creditor to be paid through your Chapter 13 plan, you should contact your attorney so that a claim can be filed by you on behalf of the creditor.

LATE CLAIMS

Generally, creditors have 90 days from the first date set for the Meeting of Creditors to file their claims for payment. If a creditor files a claim after that date, the Trustee's office will assume that you want the claim to be allowed as a claim in your case (and paid as your plan and the Bankruptcy Code permits) and will file a "Motion to Allow Additional Claim." If you want to object to the claim, contact your attorney. Your attorney then must object to the claim.

CREDITORS NOT LISTED

It is important to make sure that you have listed all of your creditors in your bankruptcy schedules. Creditors not listed by you when you filed your case can cause problems. There are two kinds of unlisted creditors -- creditors to whom you owed money *before* you filed your case and forgot to list, i.e., "unlisted creditors"; and creditors to whom you owe money as a result of a debt or bill *incurred after* you filed your case, i.e., "post-petition creditors." If you discover an unlisted creditor, you must let your attorney know immediately. The Bankruptcy Court charges a fee to add a creditor. Time is very important; do not delay if you discover an unlisted creditor.

Post-petition creditors are rare because, except in emergency situations, you should not incur post-petition debt without the written approval of the Trustee and the Bankruptcy Court. Post-petition claims should be brought to the attention of your attorney so that a review of your plan can be made.

HOW CREDITORS ARE PAID

The money that you pay to the Trustee is used to pay all expenses (including any attorney's fees that you have agreed to pay through your plan) and your creditors. The Trustee makes disbursements on a monthly basis. The disbursement amounts generally are "cut off" on the last day of each month so that disbursement checks can be prepared. Disbursements then are mailed out from the Trustee's office by the tenth day of the following month.

The Trustee receives a percentage fee on Chapter 13 plan payments in order to defray the costs of administration. By law, this fee must not exceed ten percent. This fee is authorized by the Bankruptcy Code.

TYPES OF CLAIMS

There are four basic types of claims: (1) administrative; (2) secured; (3) priority; and (4) unsecured. Generally, the Trustee pays administrative costs, including a portion of your attorney's fees first; creditors holding liens and mortgages on your property second; then, other priority claims such as taxes; and lastly, unsecured claims, or claims such as credit card debt, medical bills and trade debts. Because unsecured creditors usually are paid only after administrative, secured and priority claims have been paid in full, months or years may pass before payments to unsecured creditors are made.

COLLECTION EFFORTS AGAINST CODEBTORS

A codebtor, cosigner, co-maker or a guarantor on any of your consumer debts is generally protected from collection efforts by the applicable creditor in your Chapter 13 case as a result of the "codebtor stay." This codebtor stay is only applicable in your Chapter 13 case. To the extent that you have not proposed to pay the full amount of the cosigned debt in your plan, a creditor can seek relief from the codebtor stay to collect the portion of the debt that you do not propose to pay from the codebtor.

ABOUT YOUR ACTIVITIES

SELLING PROPERTY

You cannot dispose of any possessions, such as real estate, vehicles, jewelry, guns, art, etc. without Court approval. If you sell any of your possessions for a profit, the Court will decide where the proceeds should be paid. Some, or all, of the proceeds, after payment of any secured creditors holding liens on the property, may have to be paid to the Trustee for the benefit of the creditors in your bankruptcy case. If you dispose of your possessions without permission, the transaction could be set aside and your Chapter 13 case could be dismissed.

Consult your attorney prior to selling any possessions.

OBTAINING CREDIT

You are required to notify and gain approval from the Trustee and the Bankruptcy Court prior to obtaining credit during your bankruptcy case. If you need to obtain credit for a major purchase (including a vehicle) during your bankruptcy case, you should contact your attorney.

LAWSUIT OR OTHER LEGAL PROCEEDINGS

If you start a legal action or become involved in a legal proceeding during your bankruptcy case, you must contact your attorney immediately. If you have counsel for the lawsuit, the counsel and payment of the counsel must be approved by the Bankruptcy Court. Any settlements of legal proceedings also will need Bankruptcy Court approval. Funds received from lawsuits may need to be included in your plan.

ABOUT THE END OF YOUR CASE **REQUEST FOR DISMISSAL BY YOU**

Federal bankruptcy law allows you to request that your Chapter 13 case be dismissed at any time. If you desire to dismiss your case, you must contact your attorney. Your attorney will need to file a Motion to Dismiss your case. **A dismissal of your Chapter 13 case will reinstate all unpaid or disputed debts, all interest and finance charges, all late charges and all debts of creditors, even for those creditors who did not file claims.**

STOPPING PAYROLL DEDUCTIONS

The Trustee will not stop a payroll deduction prior to case completion unless authorized by your attorney in writing. It is the Trustee's policy to cease payroll deductions as soon as possible when a plan is completed.

As soon as all claims are paid pursuant to the plan, the Trustee will notify your employer to stop the payroll deduction. There may be a delay in processing these instructions. Sometimes an employer may remit one or two additional payments. These funds will be returned to you in full, without deduction of the Trustee's percentage fee.

COMPLETING YOUR PLAN

The Trustee compiles a monthly list of cases that are completed or nearing completion, then reviews all creditor claims filed with the Court. On rare occasions, the Court may have received a claim that the Trustee did not, and therefore, the claim may not have been paid. Any such claims need to be paid according to the terms of the Chapter 13 plan.

When your plan is completed, the Trustee's Office will prepare a "Final Report and Account," as well as a refund check for any amounts overpaid. Any refund checks will be sent after internal audit and in the month following your plan completion. The Final Report and Account will be filed with the Court (with a copy to you and your attorney)

DISCHARGE

When you have completed your plan payments and other required obligations, you will receive notice from the Court through a “Discharge Order.” The Discharge Order acts as a ban against your creditors and prohibits your creditors from taking unauthorized action against you after your case is concluded. There may be certain exceptions from discharge for certain debts. **You should save a copy of your Discharge Order in case you need it in the future.**

ELIGIBILITY FOR DISCHARGE

In certain instances, a debtor may not be eligible for a Chapter 13 discharge. If a debtor received a discharge in a Chapter 7, 11 or 12 case during the four year period prior to filing the Chapter 13 case, the debtor is not eligible for a discharge. If a debtor received a discharge in a Chapter 13 case filed or discharged within the two year period prior to filing the second Chapter 13 case, the debtor may not be eligible for a discharge.

FINANCIAL MANAGEMENT CERTIFICATE

Prior to receiving a discharge of debts, each debtor must complete a financial management course. A certificate of completion must be filed with the Court prior to the Court entering a Discharge Order.

DOMESTIC SUPPORT OBLIGATIONS

If you had a domestic support obligation at the time you filed your case or become obligated to pay a domestic support obligation during your case, **you are required to file with the Court a certification that all domestic support payments are current prior to the Court issuing a Discharge Order.**

**NOTICE: INFORMATION RELATING TO
YOUR CHAPTER 13 BANKRUPTCY CASE
WILL BE MADE AVAILABLE ON THE INTERNET
TO YOUR CREDITORS AND OTHER PARTIES IN INTEREST**

Pursuant to 11 U.S.C. §§ 1302(b)(1) and 704(a), your Chapter 13 Trustee has a duty, unless otherwise ordered by the Bankruptcy Court, to furnish information concerning the administration of your bankruptcy case as is requested by parties in interest. In furtherance of this duty, the Chapter 13 Trustee will make the following information available to parties in interest who request such information:

- Your name, bankruptcy case number, state and district in which your case is pending, and the Chapter 13 Trustee assigned to your case.
- Information regarding claims filed against your bankruptcy case including the identity of the claimant, the type of claims (e.g., priority taxes, secured, unsecured, etc.) and the amount of the claims.
- A history of all disbursements you make to the Chapter 13 Trustee in your bankruptcy case including the payee, date and amount of each payment.
- You may review, without charge, the information about your chapter 13 bankruptcy case that is posted on the internet. If you believe the information about your bankruptcy cases is inaccurate, you can contact the Trustee to report the error.

The address where your information is posted is <http://www.13network.com>. The information also will be available through the National Data Center website at <http://www.13datacenter.com>.

**Make your Chapter 13 payment
Online or by Phone!**

**Pay Online at
www.ark13.com**

**Pay by Phone
(800) 460-7514**

There's No Easier Way to Pay!

**Sign up today at www.ark13.com
It's inexpensive (\$1.00 per payment), easy and secure.**

Advantages to using ePay to make your Chapter 13 payment:

- **Ability to make payments 24/7**
 - **Save Time and Money:** Don't be hassled writing checks, stamping envelopes and mailing your payment
 - **Ensure your Chapter 13 payments are made on time:** Stop paying exorbitant charges to overnight your payment for next day delivery. Payments made by 5 pm CST will post to your case the next business day!
 - **Email confirmation available:** You can select to receive an email confirmation of payments made using the online payment system.
 - **Payment History:** Ability to view history of payments made using the ePay system.

Visit www.ark13.com to sign up for ePay

Make your payment online. Get on with your day!