

§341 Meeting and Financial Management Class

Schedule of Events

8:30 – 9:00 INTRODUCTION

1. What to expect this morning: §341/Meeting of Creditors
2. What to expect this afternoon: Personal Financial Management Class
3. Wage Directive, ePay & ACH payment information

9:00 – §341/MEETING OF CREDITORS

At 9:00 am, presiding officers will begin calling cases. Listen for your name. If you need to leave the room before your name is called, notify your attorney or the presiding officer. Make sure you have the following information ready to **show** the presiding officer.

You do not need to copy these items:

- Your own (and your spouse's) tax returns for the last two (2) years
- Original picture I.D. (example: driver's license)
- Original Social Security card

Make a copy of the following to present to the presiding officer:

- Your own (and your spouse's) last two paystubs. Write your case number on the top of each copy.

If you fail to produce these documents, your Meeting may be reset and you will have to appear again to provide them.

LUNCH (on your own)

AFTER your Meeting of Creditors has concluded

12:10 to 3:30 – **PERSONAL FINANCIAL MANAGEMENT CLASS**

1. The Class begins in this room at 12:10 pm. The Trustee's class is FREE.
2. You will learn what to expect in your bankruptcy in the coming months
3. Examine the factors that influence your success in Chapter 13
4. Set goals and learn what it takes to achieve them

TRUSTEE AND COURT INFORMATION

Your case number: _____

Your judicial district: Northern District of Texas, Dallas Division

Trustee's name: Tom Powers

Trustee's office address: 125 E. John Carpenter Frwy., Suite 1100, Irving, Texas 75062

Trustee's phone number: 214-855-9200

Office hours: 8:30 am to 4:00 pm, weekdays, closed on federal holidays

Trustee Office website: www.dallasch13.com

Chapter 13 website: www.13network.com and click on Thomas D. Powers in Texas

**Mail plan payments to: Tom Powers Chapter 13 Trustee
P.O. Box 1958
Memphis, TN 38101-1958**

Please keep this handout for future reference. If you have any questions concerning the following information, please ask your attorney first. If you are for any reason unable to get answers to your non-legal questions from your attorney, please call our staff during business hours.

We are not allowed to discuss legal questions with you and will ask you to contact your attorney.

*Attend the Trustee's FREE – **PERSONAL FINANCIAL MANAGEMENT CLASS***

Before you can receive a bankruptcy discharge you are required to complete a Personal Financial Management Class from an approved provider. Your Trustee provides this class to you free of charge. Other providers require you to pay for the class. Unlike other generic classes, the Trustee class is tailored for you as a participant in a Chapter 13 program. An added benefit is the section in which we discuss what you are expected to know and do in the coming months, borrowing money while in Chapter 13, and understanding how to avoid the pitfalls that might prevent you from being successful.

IMPORTANT GENERAL INFORMATION

TRUSTEE'S OFFICE

When you call or come to the office, do not feel you have to talk personally to the Trustee. Our staff is familiar with the policies and guidelines under Chapter 13, and is qualified to answer your questions or discuss problems or non-legal questions. Office hours are 8:30 am to 4:00 pm, weekdays, closed on federal holidays.

YOUR CURRENT MAIL ADDRESS

The Trustee must have your current mailing address on file at all times. If your mailing address changes, it is your responsibility to complete a Change of Address Form (located under the Debtor Tab on the Trustee web site) and mail or fax it to our office immediately.

GENERAL ORDER 2014-03

Special local procedures applicable to your case are in a General Order issued jointly by the Bankruptcy Courts in the Northern District of Texas. The General Order can be obtained from the Bankruptcy Clerk or it is available under the Resources Tab on the Trustee's web site. Ask your attorney to familiarize you with the provisions that are applicable to you. You have certain duties and responsibilities under this Order.

PAYMENTS

1. YOUR FIRST TWO PLAN PAYMENTS

Your first payment is due 30 days from the date your case was filed; subsequent payments are due on the same day of the month thereafter. Your case may be dismissed on 7 day notice to you and your attorney if your first full payment is not postmarked on or before the due date.

Your first two plan payment must be made by CASHIER'S CHECK OR MONEY ORDER

- DO NOT send cash or a personal check.
- Print your last name and case number on the Cashier's Check or Money Order

PAYMENT ADDRESS:

Tom Powers Chapter 13 Trustee, P.O. Box 1958, Memphis, TN 38101-1958

- P.O. Box 1958 is for plan payments only.
- DO NOT MAIL payments to the Trustee's physical address in Irving, Texas.
- Payments are NOT accepted at the Trustee's office.

Each payment will be considered on time if it is postmarked on or before the due date.

2. WAGE DIRECTIVE - IF YOU RECEIVE WAGES OR SALARY

If you receive wages or salary, you are required to make your plan payments under a Wage Directive. An Order from the Bankruptcy Court will require your employer to deduct your plan payment from your wages and send it to the Trustee's P.O Box . Only the court can release you from this requirement.

To start the payroll deduction you must complete the Wage Directive Information Sheet and return it to the Trustee's office no later than your first Meeting of Creditors (341 Meeting). If you filed with your spouse, you may choose to have the payment taken from one or both your paychecks. The **Wage Directive Form** is available on the Trustee's web site www.dallasch13.com under the Payment Tab.

The Trustee's Office will send the completed Wage Directive to your employer's payroll department with instructions to deduct your Chapter 13 Plan payment from your paycheck. You and your attorney will also receive a copy of this Directive.

Your payroll deduction will begin in the third month. It should be deducted from every paycheck you receive during that month and every month thereafter. If you do not see the deduction from your paycheck in the third month, you should contact your Payroll Department to determine when wages will begin to be garnished. If your employer fails to remit payment to the Trustee, you must mail a payment for the amount that should have been deducted from your paycheck.

For example: if you are paid weekly and your weekly deduction is \$50.00, mail a cashier's check or money order for \$50.00 each week until the payroll deduction begins. If your full plan payment is not received by the due date, a Notice of Intent (NOI) to Dismiss may be filed with the court.

The payroll deduction continues until termination of your employment or notice from the Trustee to your employer to stop the deductions. A Wage Directive cannot be terminated unless the case has been completed, converted, or dismissed. If you have an emergency that you believe requires you to stop the payroll deduction, your attorney must submit a written requires to the Trustee.

3. PAYMENT OPTIONS FOR SELF-EMPLOYED, SOCIAL SECURITY, PENSION INCOME

If you are self-employed or receive income from sources such as social security, social security insurance, unemployment, pension or retirement distributions, or worker's compensation; you have the option of making your plan payment via:

- i) cashier's check or money order;
- ii) electronic payment transfer through the Automated Clearing House (ACH), or
- iii) utilizing an online payment system (ePay).

Cashier's check or money orders allow you to continue to mail your payment to the Trustee's PO Box. Include your name and case number on the cashier's check or money order.

Electronic payments through the ACH allows the Trustee to draft your plan payment from a savings or checking account once each month on the 5th or 20th. . To request this payment option, you must complete the ACH form to authorize the withdrawal of funds from your account

You may also fund your plan through ePay, an online payment system that allows you to make payments to the Trustee using funds in your checking or savings account. ePay requires that you have an internet connection, know your case number and the last 4 digits of your social security number, have a checking or savings account and a valid e-mail address.

ACH authorization forms and ePay Registration and payment instructions are located under the Payment tab at www.dallasch13.com.

EXTRA PAYMENTS

Please consult with your attorney if you wish to make extra payments or pay off your Chapter 13 Plan early. You need a thorough understanding of the Bankruptcy Law requirements for paying off a Chapter 13 Plan early.

CONFIRMATION HEARING

Confirmation is the official approval of your plan by the judge. Under some circumstances you may be required to attend the Confirmation pre-hearing at the Trustee's office or a hearing before the Bankruptcy Judge. Consult your attorney if you are not sure whether you are required to attend these hearings. Your failure to attend a required hearing may result in your Chapter 13 case being dismissed.

Until your confirmation hearing, you may add creditors you left off, forgot, or did not realize you had at the time your case was filed. You are required to list ALL DEBTS you owed at the time you filed your bankruptcy.

If you forgot or failed to list a creditor in your bankruptcy, you only have until confirmation to add more creditors. Compare your list of creditors in your bankruptcy with your credit reports. You can get a free credit report from each of the three credit bureaus. Links to the 3 credit bureaus are located under the Resources Tab on the Trustee's web site. Contact your attorney if you believe you need to add one or more creditors.

TRCC – TRUSTEE’S RECOMMENDATIONS CONCERNING CLAIMS

After the claims bar date has passed, approximately seven months after filing, the Trustee’s staff will compare the amount in your plan with the claims filed by your creditors. If the claims of your secured creditors do not match those in your plan, they must be reconciled before your plan can proceed. If you have further questions upon receipt of the TRCC letter from the Trustee, contact your attorney.

PAY ONLY ACCORDING TO YOUR PLAN

You cannot pay one or more creditors “on the side,” outside your bankruptcy payment, unless specified in your plan. These kinds of payments are considered “preference” payments and are disallowed by the court. All current monthly mortgage payments must be paid directly to the mortgage company. You are responsible for paying your current monthly bills.

INCURRING DEBT WHILE IN CHAPTER 13

You are not allowed to incur debt while in Chapter 13, unless permission is granted by the court or the Trustee. For approval to incur debt to purchase an automobile or home, you should contact your attorney first to advise you of the steps you must take to receive permission.

If you incur medical expenses or other debt while in Chapter 13, these debts cannot be added to your Chapter 13.

SALE OF PROPERTY

Before you sell your house, car, or any other major item of property, contact your attorney. You may be required to obtain the permission of the Court and/or the Trustee.

TAX REFUNDS

The Trustee requests that you DO NOT SPEND YOUR IRS REFUND in excess of \$2,000.00. Please contact your attorney before you spend it. The Trustee may request all or part of the amount above \$2,000.00 to be paid to your general unsecured creditors.

If you have any questions about what you are required to do with your tax return or tax refund, please contact your attorney.

TAX RETURNS

Pursuant to 11 U.S.C. Section 521, the Trustee requests that as soon as you file your Federal Tax Return, that you provide a copy to the Chapter 13 office.

You should include only the first two pages of the 1040; one page if you file a 1040 EZ.

If you have any business income and expenses, are self-employed, or report 1099 income and expenses, include Schedule C.

When preparing your return to send to the Trustee, **be sure to black out the complete social security number(s) and all bank account numbers and names of dependents.** The Trustee does not need this information.

Write your case number at the top of page one of the Tax Return.

If you file an Application for Automatic Extension of Time to File your return, send a copy of the extension application to the Trustee no later than April 15th. Once you file your tax return, send a copy of it to the Trustee.

If you file an amended tax return, send a copy of the amended return to the Trustee.

If you are not required to file a tax return, contact your attorney and ask for assistance in preparing an affidavit that will explain why you are not required to file a tax return. You will sign the affidavit before a notary and it must be provided to the Trustee by April 15th.

Use ONE of the following delivery methods to send a copy of your tax return, your Application for Automatic Extension of Time to File, your amended tax return, or affidavit:

By Email:	powerstaxreturns@dallasch13.com
By Fax:	214-969-0506
By US Mail:	Chapter 13 Trustee 125 E. John Carpenter Freeway, Suite 1100, 11 th Floor Irving, Texas 75062

If the Trustee does not receive your tax return in a timely manner, a motion may be filed to dismiss your case. If you have any questions about what you are required to do, please contact your attorney or the Trustee's office.

SAVINGS ACCOUNT

The Trustee and his staff would like to commend you for choosing Chapter 13 as a way to deal with your present financial problems and pay back a substantial portion of your debts. We sincerely wish you the best of luck in paying off your Plan.

We know that over the next three to five years, that things will come up that will threaten your successful completion of the Plan. It may be an interruption of income or an unexpected expense. We do not know what or when, but from our experience we know that such an event is likely to occur.

If you, too, will recognize this probability and make plans to set aside a small portion of your income on a weekly or monthly bases into a savings account your chances of success will improve dramatically. You will be better prepared to handle unexpected problems and expenses that arise. We strongly urge you to open a savings account at your bank or credit union and make a commitment to “pay yourself” first each payday. Make this a habit. The important thing is not how much, but how regularly you make your deposit.

IN CASE YOU CANNOT MAKE YOUR PAYMENT WHEN IT COMES DUE

PLAN MODIFICATION AND INTERLOCUTORY ORDERS

If a financial emergency arises that might keep you from making your plan payment, contact your attorney immediately to discuss a Modification. A Modification would allow your plan payment to be lowered temporarily. Your attorney will charge a fee (currently \$400) to prepare a plan modification request and appear for you in court.

Only the judge can authorize skipped payments, late payments, or any other change to the original confirmed plan. If you default on your plan payment and a Notice of Intent (NOI) to Dismiss has been filed by the Trustee’s office, there are three options to avoid a dismissal after an NOI has been issued:

- Pay the delinquency in full by the 14th day following the Notice.
- Sign an Interlocutory Order (I/O) acceptable to the Trustee by the 14 day. (In the NOI, a date will be indicated to come in and sign the Interlocutory Order).
- Your attorney files and serves a Response to the NOI and sets a hearing on the docket before the expiration of 14 days. The hearing must be the first available court day after the expiration of 14 days.

Please be aware that our office will not notify you prior to the dismissal of your case if the terms of the I/O are not met.

Remember, if you do nothing, then your case will probably be dismissed and you will lose all the benefits you have already built up while in Chapter 13. To do nothing is the worst possible thing to do.