

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF \_\_\_\_\_**

Debtor Name and Address	Bankruptcy Case No.
Creditor Name and Address	Chapter _____

## REAFFIRMATION AGREEMENT AND REQUIRED DISCLOSURE STATEMENT

### NOTICE TO DEBTOR:

**PART A: Before agreeing to reaffirm a debt, review these important disclosures:**

*Bankruptcy Code 524(k)(3)(A)*

Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.

*Bankruptcy Code 524(k)(3)(J)(i)*

1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

*Bankruptcy Code 524(k)(3)(J)(i)*

2. Complete and sign Part D and be sure you can afford to make the payments you are agreeing to make and have received a copy of the disclosure statement and a completed and signed reaffirmation agreement.

*Bankruptcy Code 524(k)(3)(J)(i)*

3. If you were represented by an attorney during the negotiation of your reaffirmation agreement, the attorney must have signed the certification in Part C.

*Bankruptcy Code 524(k)(3)(J)(i)*

4. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, you must have completed and signed Part E.

*Bankruptcy Code 524(k)(3)(J)(i)*

5. The original of this disclosure must be filed with the court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

*Bankruptcy Code 524(k)(3)(J)(i)*

6. If you were represented by an attorney during the negotiation of your reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court unless the reaffirmation is presumed to be an undue hardship as explained in Part D.

*Bankruptcy Code 524(k)(3)(J)(i)*

7. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, it will not be effective unless the court approves it. The court will notify you of the hearing on your reaffirmation agreement. You must attend this hearing in bankruptcy court where the judge will review your reaffirmation agreement. The bankruptcy court must approve your reaffirmation agreement as consistent with your best interests, except that no court approval is required if your reaffirmation agreement is for a consumer debt secured by a mortgage, deed of trust, security deed, or other lien on your real property, like your home.

*Bankruptcy Code 524(k)(3)(J)(i)*

Your right to rescind (cancel) your reaffirmation agreement. You may rescind (cancel) your reaffirmation agreement at any time before the bankruptcy court enters a discharge order, or before the expiration of the 60-day period that begins on the date your reaffirmation agreement is filed with the court, whichever occurs later. To rescind (cancel) your reaffirmation agreement, you must notify the creditor that your reaffirmation agreement is rescinded (or canceled).

*Bankruptcy Code 524(k)(3)(J)(i)*

What are your obligations if you reaffirm the debt? A reaffirmed debt remains your personal legal obligation. It is not discharged in your bankruptcy case. That means that if you default on your reaffirmed debt after your bankruptcy case is over, your creditor may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor may be permitted by that agreement or applicable law to change the terms of that agreement in the future under certain conditions.

*Bankruptcy Code 524(k)(3)(J)(i)*

Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments you agree to make.

*Bankruptcy Code 524(k)(3)(J)(i)*

What if your creditor has a security interest or lien? Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed of trust, mortgage or security deed. Even if you do not reaffirm and your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security property if you do not pay the debt or default on it. If the lien is on an item of personal property that is exempt under your State's law or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the court.

*Bankruptcy Code 524(k)(3)(J)(i)*

This agreement is valid only if you signed it prior to the date your "Discharge of Debtor" was entered and you received the disclosures described in subsection (k) of section 524 of the Bankruptcy Code (11 U.S. C. §524(k)) at or before the time you signed this agreement.

*Bankruptcy Code 524(k)(3)(J)(i)*

Note: When this disclosure refers to what a creditor 'may' do, it does not use the word 'may' to give the creditor specific permission. The word 'may' is used to tell you what might occur if the law permits the creditor to take the action. If you have questions about your reaffirming a debt or what the law requires, consult with the attorney who helped you negotiate this agreement reaffirming a debt. If you don't have an attorney helping you, the judge will explain the effect of your reaffirming a debt when the hearing on the reaffirmation agreement is held. Bankruptcy Code 524(k)(3)(I)

## **SUMMARY OF REAFFIRMATION AGREEMENT**

### **THE COLLATERAL and THE DEBT**

This Summary is made pursuant to the requirements of the Bankruptcy Code:

#### **CREDITOR'S STATEMENT CONCERNING SECURITY/COLLATERAL (IF ANY)**

*Bankruptcy Code 524(k)(3)(B)*

Your debt is secured by a security interest which has not been waived in whole or in part or determined to be void by a final order of the court at the time of this disclosure. The undersigned creditor is asserting a security interest or lien in goods or property for some or all of the debts you are reaffirming as follows:

*Bankruptcy Code 524(k)(3)(G)*

Listing of items of collateral	Original purchase price or original amount of loan
_____	_____
_____	_____
_____	_____
_____	_____

Total amount of debt when bankruptcy case was filed: \$ \_\_\_\_\_

**Total amount of debt to be reaffirmed –** \$ \_\_\_\_\_  
*(This is the amount of debt that you have agreed to reaffirm)*

The above total amount of debt to be reaffirmed includes the following, accrued as of the date of this disclosure:

Interest accrued to date of agreement	\$ _____
Attorney fees	\$ _____
Late fees	\$ _____
Other expenses or costs relating to the collection of this debt (describe)	\$ _____

*Bankruptcy Code 524(k)(3)(C)*

**Annual percentage rate (APR)<sup>1,2</sup>** \_\_\_\_\_ %

<sup>1</sup> The “Annual Percentage Rate shall be disclosed as—

- (I) if, at the time the petition is filed, the debt is an extension of credit under an open end credit plan, as the terms ‘credit’ and ‘open end credit plan’ are defined in section 103 of the Truth in Lending Act, then –
  - (I) the annual percentage rate determined under paragraphs (5) and (6) of section 127(b) of the Truth in Lending Act, as applicable, as disclosed to the debtor in the most recent periodic statement prior to entering into an agreement of the kind specified in subsection (c) or, if no such periodic statement has been given to the debtor during the prior 6 months, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given to the debtor, or to the extent this annual percentage rate is not readily available or no applicable, then
  - (II) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, of if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of each such balance included in the amount reaffirmed, or
  - (III) if the entity making the disclosure elects, to disclose the annual percentage rate under subclause (I) and the simple interest rate under subclause (II); or
- (ii) if, at the time the petition is filed, the debt is an extension of credit other than under an open end credit plan, as the terms ‘credit’ and ‘open end credit plan’ are defined in section 103 of the Truth in Lending Act, then –
  - (I) the annual percentage rate under section 128 (a) (4) of the Truth in Lending Act, as discussed to the debtor in the most recent disclosure statement given to the debtor prior to the entering into an agreement of the kind specified in subsection (c) with respect to the debt, or, if no such disclosure statement was given to the

*Bankruptcy Code 524(k)(3)(E)(i)*

Your first payment in the amount of \$ (amount) is due on (date) but the future payment amount may be different. Consult your reaffirmation agreement or credit agreement, as applicable  
*Bankruptcy Code 524(k)(3)(H)(i)*

Your payment schedule will be: (describe the repayment schedule with the number, amount, and due dates or period of payments scheduled to repay the debts reaffirmed to the extent then known by the disclosing party); \_\_\_\_\_; or  
*Bankruptcy Code 524(k)(3)(H)(ii)*

Your repayment obligations will be as follows: (describe the debtor's repayment obligations with reasonable specificity to the extent then known by the disclosing party): \_\_\_\_\_  
*Bankruptcy Code 524(k)(3)(H)(iii)*

*Your credit agreement may obligate you to pay additional amounts, which may come due after the date of this disclosure. Consult your credit agreement.  
Bankruptcy Code 524(k)(3)(D)(ii)*

**PART B: REAFFIRMATION AGREEMENT**

I (we) agree to reaffirm the debts arising under the credit agreement described below:

Brief description of credit agreement: \_\_\_\_\_

Description of any changes to the credit agreement made as part of this reaffirmation agreement: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Borrower)

\_\_\_\_\_  
(Name of Creditor)

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

\_\_\_\_\_  
(Signature of Creditor Representative)

*Bankruptcy Code 524(k)(4)*

- (II) debtor, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given to the debtor, or to the extent this annual percentage rate is not readily available or not applicable, the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, or if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of such balance included in the amount reaffirmed, or
  - (III) if the entity making the disclosure elects, to disclose the annual percentage rate under (I) and the simple interest rate under (II).
- Bankruptcy Code 524(k)(3)(E)(i)*

<sup>2</sup>

If the underlying debt transaction was disclosed as a variable rate transaction on the most recent disclosure given under the Truth in Lending Act, by stating 'The interest rate on our loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower'.

*Bankruptcy Code 524(k)(3)(F)*

\_\_\_\_\_  
(Signature of Co-Borrower – if also reaffirming this debt)

Date: \_\_\_\_\_  
(Date of Acceptance)

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

*Bankruptcy Code 524(k)(4)*

**PART C: CERTIFICATION BY DEBTOR’S ATTORNEY (IF ANY)**

I hereby certify that: (1) this agreement represents a fully informed and voluntary agreement by the debtor; (2) this agreement does not impose a hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

A presumption of undue hardship has been established with respect to this reaffirmation agreement, nonetheless, it is the opinion of the undersigned attorney, that the debtor is able to make the payments.

\_\_\_\_\_  
(Signature of Debtor’s Attorney, if any)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Phone Number)

*Bankruptcy Code 524(k)(5)*

**PART D: DEBTOR’S STATEMENT IN SUPPORT OF REAFFIRMATION AGREEMENT**

1. I believe this reaffirmation agreement will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is \$ (amount), and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total \$ (amount), leaving \$ (amount) to make the required payments on this reaffirmed debt. I understand that if my income less my monthly expenses does not leave enough to make the payments, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be overcome if I explain to the satisfaction of the court how I can afford to make the payments here:

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

2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

\*\*\*Where the debtor is represented by an attorney and is reaffirming a debt owed to a creditor defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act, the statement of support of the reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following:

*Bankruptcy Code 524(k)(6)*

I believe this reaffirmation agreement is in my financial interest. I can afford to make the payments on the reaffirmed debt. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

**PART E: MOTION FOR COURT APPROVAL (To be used only if the debtor is not represented by an attorney)**

I (we), the debtor(s), affirm the following to be true and correct:

I am not represented by an attorney in connection with this reaffirmation agreement.

I believe this reaffirmation agreement is in my best interest based on the income and expenses I have disclosed in my Statement in Support of this Reaffirmation Agreement, and because (provide any additional relevant reasons the court should consider): \_\_\_\_\_

\_\_\_\_\_

Therefore, I ask the court for an order approving this reaffirmation agreement.

\_\_\_\_\_  
(Signature of Borrower)

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

\_\_\_\_\_  
(Signature of Co-Borrower – if also reaffirming this debt)

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