



DEBTOR ORIENTATION

David Wm. Ruskin
Chapter 13 Trustee

A GUIDE TO CHAPTER 13

CORRESPONDENCE:

**26555 Evergreen Road, Suite 1100
Southfield, MI 48076-4251
(248) 352-7755**

PAYMENTS ONLY:

**P.O. Box 127
Memphis, TN 38101-0127**

General Website:

www.det13.com

Comments?:

comments@det13.com

Case and Financial Reports:

www.ndc.org

Online Payments:

www.tfsbillpay.com

PURPOSE OF THIS ORIENTATION



Understanding Chapter 13

The Chapter 13 Plan

Who is involved

Case administration

Tips for better Plan performance

Borrowing & Selling in a Chapter 13


The Automatic Stay

Dealing with your creditors

DISCHARGE!!



WHAT IS CHAPTER 13?



A type of
bankruptcy in
Federal Court



Obtain protection
from creditors
using the
Automatic Stay



Reorganize and
pay back all or a
portion of debt



THE CHAPTER 13 PLAN



3 to 5 years in length if income is below or above State median

Court confirms your Plan if it meets legal requirements

Creditors are paid through the Trustee unless the Court permits otherwise

Plan usually deals with pre-petition debts only

TIME LINE OF A CHAPTER 13 PLAN

1) Debtor creates Plan and pays Trustee



2) Creditors and Trustee may object to the Plan



3) Court confirms Plan if it meets legal requirements



4) You (debtor) pay Trustee; Trustee pays creditors



5) Debtor provides Trustee with all Tax Returns and Refunds if required



6) Debtor files all required certificates



7) Discharge!

GETTING YOUR PLAN CONFIRMED: RESOLVE OBJECTIONS BY TRUSTEE

- Objections highlight “issues”
- Objections are not unusual; filed in most cases
- Objections are a punch list to get Plan confirmed
- Once filed, we expect and hope to resolve these issues

Work with us – we want to work with you!



WHO IS INVOLVED IN YOUR CASE?



YOU

(the debtor)

- Individual (or married couple filing the case)

YOUR ATTORNEY

- Provides advice
- Files paperwork
- Appears at hearings
- Negotiates
- Creates strategy

YOUR CREDITORS

- Secured
 - House
 - Automobile
- Unsecured
 - Credit Cards
- Unsecured Priority
 - Child Support

WHO IS INVOLVED IN YOUR CASE? (continued)

CHAPTER 13 TRUSTEE

- Conducts 341 Meeting
- Reviews paperwork
- Makes recommendation to Judge to confirm Plan
- Receives your payments
- Sends your payments to creditors
- Suggests to Court to dismiss, convert or discharge your case

JUDGE

- Resolves disputes between parties
- Confirms, dismisses or converts your case
- Grants all discharges



HOW TO MAKE PLAN PAYMENTS

① Payment Order

- Required by the Court
- Your attorney prepares it, Court signs it, Trustee serves it
- Similar to wage deduction
- Applies to more than just wages
- Two step process
 - Taken from your check
 - Sent to Trustee

② Electronic Payments

- Available only if no assignable income (such as social security)
- Needs Court Order
- Bank transfer (ACH), or
- TFS Bill Pay

IF NO PAYMENT ORDER AVAILABLE THERE ARE TWO OPTIONS



OPTION 1

ACH PAYMENT

Limited control
but free!

- Automatically deducted from your bank account
- You pick one day a month (the 7th or 17th)
- *Not one penny short!*





OPTION 2

TFS BILL PAY

TFS is full featured but there is a fee to use this service.

www.TFSbillpay.com

- Make payments at your convenience
- Send in a tax refund, bonus or make partial payments
- Catch up on a payment
- Others may pay on your behalf

CAN I SEND A CHECK OR MONEY ORDER?



When you might need to send in a check/money order

At the beginning of your case until a Payment Order or ACH/TFS is set up

If you need to catch up on a payment

If you need to send in a tax refund

WHEN SENDING A CHECK OR MONEY ORDER...

Make checks or money orders payable to
“Chapter 13 Trustee”

Jane Doe
5 Blue Forest Drive
Shelburne, VT 05482

Check # _____
Date: _____

Pay to the order of **CHAPTER 13 TRUSTEE**

_____ Dollars

The Vermont State Bank
Shelburne, VT
Account Number: 102300
CHAPTER 13 CASE NUMBER: XX-XXXX-XX

Signature _____

Put your **name** and **case number** on every check or money order
(Remember save all paystubs, cancelled checks and money order receipts!)

All payments must be mailed to:
Chapter 13 Trustee
P.O. Box 127
Memphis, TN 38101-0127

YOUR PLAN PAYMENTS

Important Notice

It is up to
you to
make sure
Plan
payments
are made!

Why?

**YOUR Plan
pays YOUR
debts so
YOU can
keep YOUR
assets!**

**If you do
not pay, the
Trustee
cannot pay
creditors!**

**Case may
be
dismissed!!**



If you are having trouble making your Plan payments call your attorney!



EXTRA PAYMENTS

**“Extra” Plan
payments do not
shorten the length
of your Plan**

**Except if you
have 100% Plan**

**Otherwise extra
payments may be
used to increase
creditor payback**

CHAPTER 13 REQUIRES SENDING COPIES OF FEDERAL TAX RETURNS



Copies of Tax
Returns should
be sent to your
attorney



WARNING!

This applies
even when there
is no Tax Refund!



FEDERAL TAX REFUNDS



Federal Tax Refunds must be sent to Memphis, TN or TFS

Please put “tax refund” on the check so we can give you credit!



Please add the following on your Federal Refund check:

(1) Your name and case number

(2) Year the Refund relates to



State and City Refunds are not submitted to the Trustee

Please remember - even if you do not receive a Refund you must submit a copy of your Federal Tax RETURN to the Trustee!!

FINANCIAL INFORMATION (RECEIPTS/DISBURSEMENTS)



**Semi-Annual Reports
are sent to you every 6
months from the date
your Plan is confirmed**

**Get immediate
information from:
www.NDC.org**

Get Started with the National Data Center

Have you recently filed a Chapter 13 Bankruptcy? Are you working through your Chapter 13 Bankruptcy? Let NDC help you manage your case. You've taken the right step, and NDC is here to help.

Quick and Easy Setup

Estimate time 5 minutes

WHAT YOU'LL NEED:



Your bankruptcy case number



Your Trustee's name



List of your creditors from your
bankruptcy case

GO TO WWW.NDC.ORG TO GET STARTED

Benefits of Setting Up an Account

24/7 Access

Access your Chapter
13 Bankruptcy
Information
when it's convenient
to you.

Claim Summary

View your
transaction status
and history to stay
informed about
your case.

Stay on Track

Keep yourself
informed and on
track during your
payment plan.

Online Support

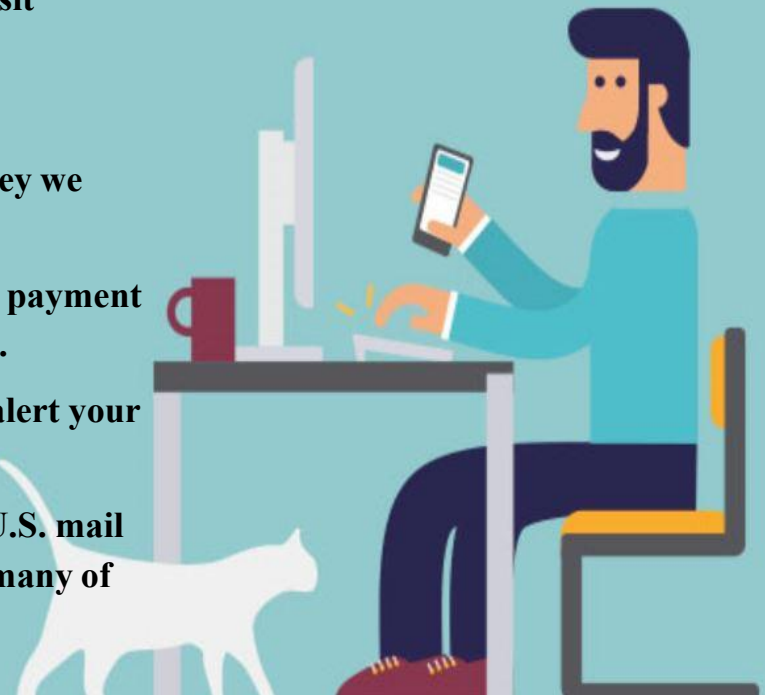
Find helpful
answers to
frequently asked
questions.

BENEFITS OF THE NATIONAL DATA CENTER

www.NDC.org

Track your Chapter 13 Bankruptcy Case

- To set up an account at the National Data Center please visit www.NDC.org and follow the prompts.
- This must be done before your §341 Meeting of Creditors.
- It will allow you to track the money you paid and the money we paid out on your behalf.
- You can set alerts to remind you when a payment is due, a payment is received or if there is a change in your payment amount.
- You can keep track of what creditors file claims. You can alert your attorney to object to them if you think the claim is wrong.
- Receive documents from the Trustee via email instead of U.S. mail that can be accessed anytime. This is an easy way to save many of your Chapter 13 documents.



BENEFITS OF THE NATIONAL DATA CENTER

www.NDC.org

SAMPLE OF CASE SUMMARY

Case Number	Case Summary	Claim Summary	My Claims	Account Ledger
XX-XXXX				
Debtor Information				
Debtor 1				
Debtor 2				
Status				
Data Last Updated		Total Paid into Plan	Petition Filed on	
XX-XX-XXXX		\$26,842.02	XX-XX-XXXX	
Debtor's Latest Payments				
EMPLOYER PAYROLL DEDUCTION CHECK		EMPLOYER PAYROLL DEDUCTION CHECK	EMPLOYER PAYROLL DEDUCTION CHECK	
\$329.35		\$329.35	\$329.35	
XX-XX-XXXX		XX-XX-XXXX	XX-XX-XXXX	

- Case number
- Balance on hand
- Last receipt amount
- Last disbursement date
- Percentage to unsecured creditors
- Total paid into Plan
- Total paid to all parties
- Date case closed

BENEFITS OF THE NATIONAL DATA CENTER

www.NDC.org

SAMPLE OF CLAIM SUMMARY

Claim Summary

Export

Print

Case XX-XXXXXX Debtor1

Trustee RUSKIN, DAVID W. (SOUTHFIELD, MI)

Case Summary

Claim Summary

My Claims

Account Ledger

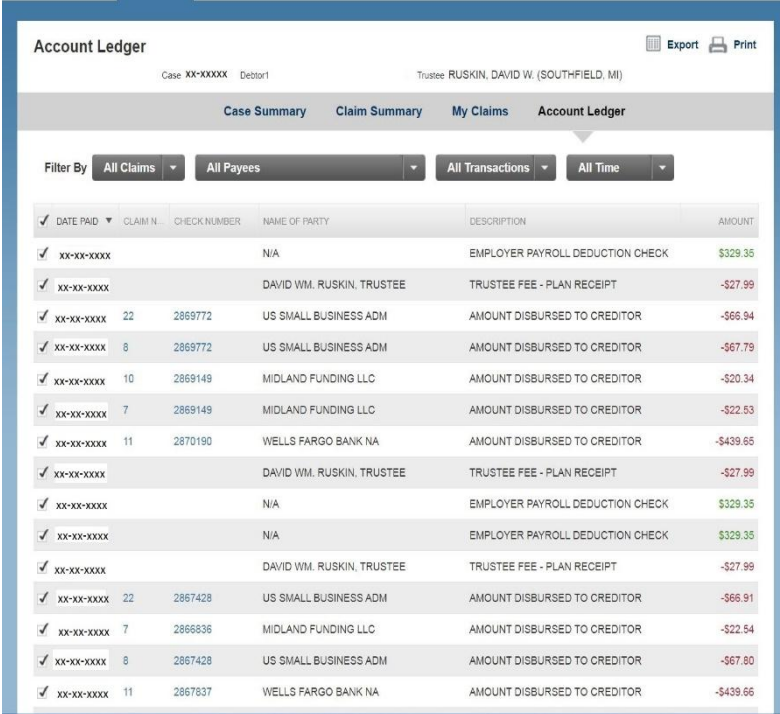
CLAIM	CREDITOR NAME	CLAIM DESCRIP...	CLAIM AMOUNT	SCHEDULED A.	INTEREST PAID	PRINCIPAL PAID ▼	PRINCIPAL OWED	MONTHLY PAYM.
11	WELLS FARGO BA...	UNSECURED	\$16,669.07	\$16,649.00	\$0.00	\$14,029.05	\$2,630.02	\$0.00
0	LAW OFFICES OF ...	ATTORNEY F...	\$5,212.25	\$5,212.25	\$0.00	\$5,212.25	\$0.00	\$0.00
8	US SMALL BUSINE...	UNSECURED	\$2,568.67	\$5,113.92	\$0.00	\$2,163.15	\$405.62	\$0.00
22	US SMALL BUSINE...	UNSECURED	\$2,535.72	\$0.00	\$0.00	\$2,135.41	\$400.31	\$0.00
7	MIDLAND FUNDING...	UNSECURED	\$953.85	\$962.00	\$0.00	\$719.05	\$134.80	\$0.00
10	MIDLAND FUNDING...	UNSECURED	\$220.24	\$221.00	\$0.00	\$195.47	\$34.77	\$0.00
0	DEBTOR RE...		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	ASSET RECOVERY ...	UNSECURED	\$0.00	\$1,574.00	\$0.00	\$0.00	\$0.00	\$0.00
12	AP ACCOUNT SERV...	NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	GREEN TREE	NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14		NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	SMALL BUSINESS A...	NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	STILLMAN LAW OF...	NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	TROTT LAW PC	NOTICE ONLY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	ACAR LEASING LTD...	LEASED VEH...	\$15,489.75	\$0.00	\$0.00	\$0.00	\$0.00	\$619.59
19	GOODE REAL ESTA...	EXECUTORY...	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$950.00
2	CITIBANK	UNSECURED	\$0.00	\$715.85	\$0.00	\$0.00	\$0.00	\$0.00

- Creditor's name
- Claim description
- Claim amount
- Scheduled amount
- Principal paid
- Principal owed

BENEFITS OF THE NATIONAL DATA CENTER

www.NDC.org

SAMPLE OF ACCOUNT LEDGER



Account Ledger

Case: XX-XX-XXXX Debtor1 Trustee: RUSKIN, DAVID W. (SOUTHFIELD, MI)

Case Summary Claim Summary My Claims Account Ledger

Filter By: All Claims All Payees All Transactions All Time

✓ DATE PAID	CLAIM N.	CHECK NUMBER	NAME OF PARTY	DESCRIPTION	AMOUNT
✓ XX-XX-XXXX			N/A	EMPLOYER PAYROLL DEDUCTION CHECK	\$329.35
✓ XX-XX-XXXX			DAVID WM. RUSKIN, TRUSTEE	TRUSTEE FEE - PLAN RECEIPT	-\$27.99
✓ XX-XX-XXXX	22	2869772	US SMALL BUSINESS ADM	AMOUNT DISBURSED TO CREDITOR	-\$66.94
✓ XX-XX-XXXX	8	2869772	US SMALL BUSINESS ADM	AMOUNT DISBURSED TO CREDITOR	-\$67.79
✓ XX-XX-XXXX	10	2869149	MIDLAND FUNDING LLC	AMOUNT DISBURSED TO CREDITOR	-\$20.34
✓ XX-XX-XXXX	7	2869149	MIDLAND FUNDING LLC	AMOUNT DISBURSED TO CREDITOR	-\$22.53
✓ XX-XX-XXXX	11	2870190	WELLS FARGO BANK NA	AMOUNT DISBURSED TO CREDITOR	-\$439.65
✓ XX-XX-XXXX			DAVID WM. RUSKIN, TRUSTEE	TRUSTEE FEE - PLAN RECEIPT	-\$27.99
✓ XX-XX-XXXX			N/A	EMPLOYER PAYROLL DEDUCTION CHECK	\$329.35
✓ XX-XX-XXXX			N/A	EMPLOYER PAYROLL DEDUCTION CHECK	\$329.35
✓ XX-XX-XXXX			DAVID WM. RUSKIN, TRUSTEE	TRUSTEE FEE - PLAN RECEIPT	-\$27.99
✓ XX-XX-XXXX	22	2867428	US SMALL BUSINESS ADM	AMOUNT DISBURSED TO CREDITOR	-\$66.91
✓ XX-XX-XXXX	7	2866836	MIDLAND FUNDING LLC	AMOUNT DISBURSED TO CREDITOR	-\$22.54
✓ XX-XX-XXXX	8	2867428	US SMALL BUSINESS ADM	AMOUNT DISBURSED TO CREDITOR	-\$67.80
✓ XX-XX-XXXX	11	2867837	WELLS FARGO BANK NA	AMOUNT DISBURSED TO CREDITOR	-\$439.66

- Date paid
- Claim number
- Name of party
- Description
- Amount

BORROWING MONEY AND SELLING ASSETS



**Court approval
is required
before selling
anything OR
borrowing
money, such as
buying or
refinancing a
house, buying
or leasing a car**

**Call your
attorney!**

**We have
forms to make
the process
go faster; we
usually
stipulate and
agree**

**Provide your
attorney with
supporting
documents
such as: Price
Quotes and
Good Faith
Estimates**



CALL YOUR ATTORNEY IF...

You have
any legal
questions
concerning
your case

You want
to obtain
credit or
borrow
money

You want
to sell
anything
of value
(house,
car, boat,
etc.)

You
receive
any legal
papers

You
change
jobs,
move to
a new
address
or if
problems
arise

***By law the Trustee, including staff,
cannot provide legal advice!***



HIRING A NON-BANKRUPTCY ATTORNEY

- If you consult with an attorney for any reason you should let that attorney know you are in a Chapter 13
- If you need to hire an attorney for any reason while you are in Chapter 13, you should let your Chapter 13 attorney know
- Before any settlement or financial arrangement is made, you should let your Chapter 13 attorney know
- All Court matters must be approved by your Chapter 13 Judge

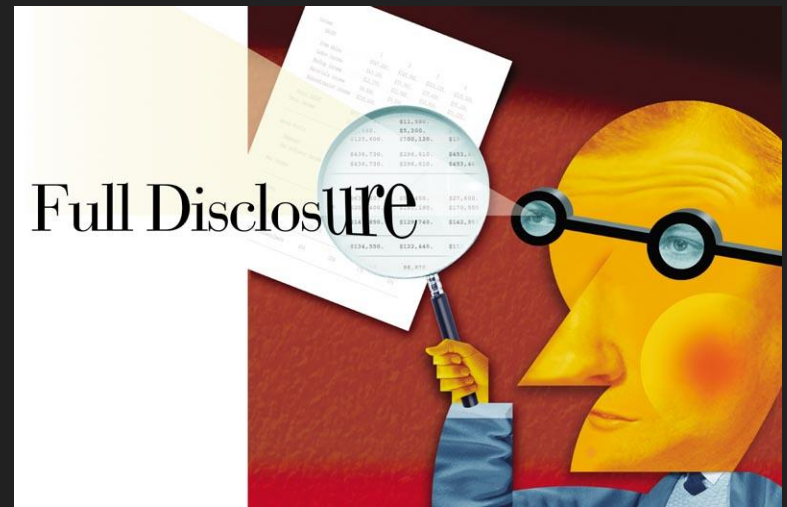


CONTINUING DUTY TO DISCLOSE ASSETS

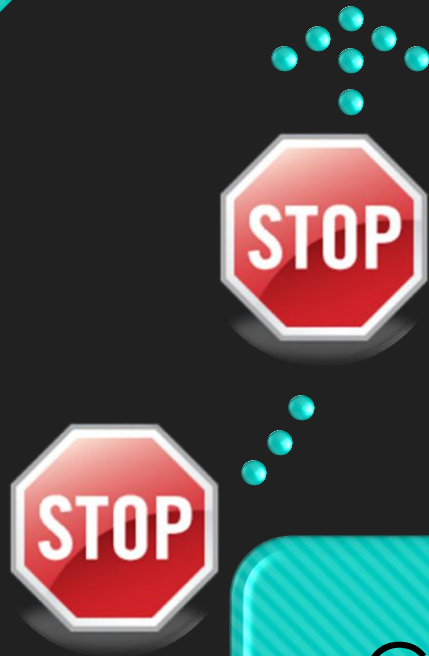
You have a continuing duty to disclose assets during the life of your case

➤ **including lawsuits**

Consult with your attorney if there are any assets or claims that arise during your Chapter 13



AUTOMATIC STAY



Created when
your case is filed
(with exceptions)

Continues until
Court “Lifts Stay”

AUTOMATIC STAY



Wage and bank garnishments



Foreclosures



Repossessions



Lawsuits and creditor calls
(If breached by creditor call your attorney!)

CREDITORS AND THE AUTOMATIC STAY

If you have an occasion to deal directly with a creditor they may be reluctant to speak with you. Creditors treat an Automatic Stay seriously, but remember that a Stay means a creditor cannot contact YOU.



The Automatic Stay does not prevent you from contacting creditors to discuss things other than the collection of money (*they still may be hesitant to talk with you*).

DEALING WITH YOUR CREDITORS

Review your credit report annually and make sure you recognize the accounts and loans on your credit report



To obtain a free credit report go to:
www.annualcreditreport.com
or by phone at: 877-322-8228



Any issues should be brought to the attention of your attorney

DISCHARGE, DISMISSAL OR CONVERSION?

DISCHARGE

- You have reached a successful end to your Plan!
- Your debts in the Chapter 13 Plan are paid or brought current



DISMISSAL

- No further Court protection
- Creditors can resume collection activities
- Creditors may add interest and costs that were waived under your Chapter 13 Plan

CONVERSION

- When your Chapter 13 case is changed to a different Chapter (usually a Chapter 7) it is considered "converted"




YOU MAY BE WONDERING WHY A CASE MAY BE DISMISSED...HERE ARE SOME EXAMPLES



Failure to make Plan payments



Failure to keep child support or alimony current



Failure to forward a copy of Federal Tax Returns & Refunds



Failure to take second credit counseling course



Failure to keep insurance on cars and homes



Any other reason that the Court would consider to be “cause”

WHEN IS MY CASE DONE?

START:

Count the length of your Plan beginning when the Judge confirms the Plan, not the date of case filing.



AT THE END OF YOUR CASE:

Allow time for checks to clear and have your case audited. You do not want your case closed with outstanding checks out there.

RESULT: Please be patient!

Questions? Call Your Attorney!



REMEMBER

We do not send junk mail! Open all letters

Attend all Court hearings but check with your attorney first

Make payments timely and in the correct amount

Keep insurance on cars and home at all times

Contact your attorney when **Life Changing Events** occur (job change, new address, new telephone number, marriage, divorce, birth or death)

SUMMARY OF YOUR RIGHTS

1. Obtain clear and accurate information from the Trustee's office regarding status of your case (*but not legal advice!*)
2. Have your attorney answer your questions throughout your case and provide knowledgeable legal representation
3. Know status of your debts. Free credit report from:
www.annualcreditreport.com or call 877-322-8228
4. Clearly understand how much you will pay your attorney. What does the "flat fee" cover? If charged "hourly", what work is billed; what is the hourly rate?
5. Expect creditors will obey the Chapter 13 laws
6. Petition the Court for relief if you have an issue ("your day in Court")

INFORMATION PROVIDED BY THE COURT REGARDING BANKRUPTCY

Valuable information can be found on the United States Courts' website regarding bankruptcy. Visit **www.uscourts.gov** click on Services & Forms tab and make your way to the Bankruptcy section.

You will find information regarding bankruptcy basics including:

- Advantages of Chapter 13
- How Chapter 13 Works
- The Chapter 13 Plan and Confirmation Hearing
- Making the Plan Work
- The Chapter 13 Discharge



IN CONCLUSION

**STAY
INVOLVED IN
YOUR CASE!**

We wish you success with your
Chapter 13 case!!



SOME TIPS

Register with the National
Data Center to keep track of
your case

Meet with your attorney for
annual checkups

Continue to check your email
for information from our
office

***The Trustee solicits your
comments about the Chapter 13
process. Send letters to him at
our Southfield office marked
“comments” or email him at:
comments@det13.com***

NOTES