

OFFICE OF THE CHAPTER 13 BANKRUPTCY TRUSTEE, ANGELA M. SCOLFORO
(434) 817-9913

Dear Sir or Madam,

Congratulations! You've taken the difficult step of addressing your challenging financial situation. Attached is some information I hope you will find is helpful to you during the next few years. Information about how to contact my office is on the next page. My staff and I are here to help you be successful!

First, your first Plan payment *must* reach my office no later than 30 days after your case was filed. Please allow your attorney to file a wage order to have your Plan payment deducted from your pay. This is your best chance of success. If not, immediately set up an automatic payment through TFS by calling (888) PAY-CH13 or using their website at: www.TFSBillPay.com. If you use this option, the first Plan payment *must* be deducted from your bank account no later than 21 days after your case was filed. Making your first Plan payment on time is the next most important step you can take toward financial success.

Second, please provide your attorney with all documents requested, including 2 months of recent paystubs, your most recent federal and state income tax returns, real estate and personal property tax bills, Deeds to all real estate, child support orders, and the completed Trustee's questionnaire. You must provide the Trustee with a copy of your driver's license (or other government issued identification card) and proof of your social security number before the "meeting of creditors."

Third, you must attend your "meeting of creditors" as noticed by the Court. You must appear by video using Zoom at: <https://zoom.us/join> with this meeting information:

Meeting ID 521 328 9393 Passcode 0411151273

Fourth, you may review every payment I receive and disburse on your behalf by accessing the National Data Center website at www.NDC.org for free. Please set up your account and keep an eye on how your cases progresses.

We look forward to working with you.

Sincerely,

Angela M. Scolforo, your Trustee

YOUR CHAPTER 13 TRUSTEE INFORMATION

Trustee's physical office:

Office of the Chapter 13 Bankruptcy Trustee
123 East Main Street, Suite 310
Charlottesville, Virginia 22902

Trustee's Website address:

www.cvillech13.net

Where to send plan payments:

All payments must include your full name
and your full case number and be mailed to:

Angela M. Scolforo, Trustee
Office of the Chapter 13 Trustee
P.O. Box 1961
Memphis TN 38101-1961

Make payments payable to:

ANGELA M. SCOLFORO, TRUSTEE

Your first plan payment must reach the Trustee 30 days after your case is filed.

Correspondence with the Trustee:

All correspondence must include your full name
and your full case number and be mailed to:

Office of the Chapter 13 Trustee, Angela Scolforo
P. O. Box 2103
Charlottesville, Virginia 22902

Trustee contact information:

Telephone Number : (434) 817-9913
Fax Number: (434) 817-9916
Staff E-mail: ch13staff@cvillech13.net

Trustee office hours:

Monday – Friday 9:00 a.m. to 4:00 p.m.

The information contained in this booklet is designed to explain the Chapter 13 process and to answer those questions which are most often asked by Chapter 13 debtors. *If you have any questions, or if you do not understand any portion of this booklet, please contact your attorney.*

AS YOUR CASE BEGINS

I. PLAN PAYMENTS:

Your first full plan payment must be received by the Trustee 30 days after your case is filed.

Make payments **payable to: Angela M. Scolforo, Trustee.**

If you send a payment directly to the Trustee, make sure that your Chapter 13 case number (for example, "23-61777") is written on all payments and correspondence you send to the Trustee.

If you are paying by automatic payroll deduction, it is your responsibility to make the first few payments yourself and continue making payments until you see your payment being deducted from your paycheck. Whether you are making your payments directly to the Trustee or through a payroll deduction, keep a copy of all payments made (check, money order, paystub) in case there is a problem regarding your payments.

If you are paying using the TFS system at www.TFSBillPay.com, you must make the payment one week prior to the plan payment due date and you must set up the payment to be automatic and recurring. You can contact TFS by calling (888) PAY-CH13. If you stop such payments your case may be dismissed.

II. Initial documents needed by the Trustee: Your attorney will give you a list of documents that must be provided to the Trustee's office. These will include 2 months of recent paystubs, your most recent federal and state income tax returns, your most recent real estate and personal property tax bills, Deeds to all real estate and the Trustee's questionnaire. You may also have to provide copies of charitable contributions, prior Homestead Deeds, proof of child support income or expenses, and documents to prove the amount of certain living expenses. ***You must provide these documents to your attorney promptly, before the Section 341 meeting of creditors, or your case may be dismissed.***

III. Dismissal of your Case for Failure to Make Payments: If you fail to make the payments to the Trustee, the Trustee is required to file a motion with the Court asking it to dismiss your case. You will receive a copy of that motion, and it will say that there is a hearing scheduled on the motion in the future. If such a motion is filed, contact your attorney, and propose a way to catch up your payments; most of these plan payment defaults can be fixed if you contact your attorney right away. If your case is dismissed, it will be expensive and more difficult to file another case. So it is very important to contact your attorney and the Trustee's office ahead of time if you ever expect to miss a payment due to loss of employment, a medical disability, or a change in jobs.

IV. Advise your attorney promptly of any problems or changes: Chapter 13 is a flexible process designed to help people in financial trouble. If unexpected things go wrong (loss of job, reduction of hours, sickness, injury, separation from your spouse, etc.) **after** your case has been filed, the Court can, in appropriate circumstances, temporarily suspend your plan payments or even reduce your plan payments for the rest of the case. But no such relief can happen unless and until you tell your attorney that something has happened to affect your ability to make your payments. *It is your*

responsibility, and yours alone, to notify your attorney as soon as you are aware of a problem. The sooner you call the attorney, the sooner you can find out what your options are to solve the problem. If you do nothing or postpone calling your attorney, things may only get worse.

- V.** **Pre-confirmation affidavit.** You will be required by your attorney to sign a pre-confirmation affidavit. This is a sworn statement that says that *since your case was filed*, and up to the date of confirmation, you have made all the house payments, car payments, tax payments, and child support payments you were supposed to make. The Trustee will rely upon this affidavit in recommending to the Court if your case is ready for confirmation. ***If you fall behind on any of these payments before your case has been confirmed, you must immediately contact your attorney and advise him/her of your default.***
- VI.** **Property acquired after case filed:** *If at any time while your Chapter 13 case is pending you acquire property by way of inheritance, divorce or separation, insurance proceeds, or gift, you need to promptly advise your attorney, the Trustee, and the Court of this development. It may affect your case, and your attorney needs to be aware of this change in your financial situation.*
- VII.** **Change in Address, Job, or Circumstances:** In addition to making your payments, please *promptly* advise your attorney, and the Trustee's office, of any change in your address, phone number, place of employment, marital status, or any other matter affecting your ability to perform your responsibilities under Chapter 13. If the Court, or the Trustee's office, is unable to get in touch with you, your case may be dismissed even though you are complying with all aspects of your Plan.

CREDITORS IN YOUR CASE

- A.** **CONTACT BY CREDITORS:** All creditors you listed on your Chapter 13 schedules are prohibited by law from harassing you in any way. If you are continuing to make regular monthly payments to a secured creditor as part of your plan (for example, a house or car payment), the creditor may continue to send you regular monthly statements. But if you get notices or demands for payment in the mail from unsecured creditors that are being paid through the plan, let your attorney know right away.
- B.** **PAYMENTS BY THE TRUSTEE:** An annual report will be sent to you by the Trustee every March, setting forth all funds received from you and all payments made by the Trustee to your creditors. Also, ***you have access to the National Data Center website at www.NDC.org at any time for free to review all your payments and all the Trustee's disbursements on your behalf.*** Please take time to register and access this information. You may also request a status report of your case at any time during the life of your Plan. If you have any questions regarding the report, please contact the Trustee's office or your attorney.

C. CLAIMS OF CREDITORS: The Trustee can only pay creditors who have filed allowed claims with the Bankruptcy Court. *If a creditor that you need to pay has not filed a claim and is not being paid, contact your attorney immediately.* At the time of your discharge, you will be discharged from the balance owed on any dischargeable claims which were filed and from those dischargeable debts to creditors who received notice but did not file claims. If you desire to object to a claim, contact your attorney immediately. Keep in mind that some claims are not dischargeable even in Chapter 13. Creditors not listed on your schedules when you filed your case pose a problem. If you fail to list a particular creditor, it may be allowed to proceed against you after your case is over. *It is very important to make sure you have listed every person or company to whom you owe money, or to whom you might owe money, even if the debt is disputed or uncertain.*

POSTPETITION ACTIONS - After Your Case Is Filed

- A. INVOLUNTARY POST-PETITION DEBTS.** Your Chapter 13 Plan does not usually cover any debts which are incurred by you after your case is filed; these are called “post-petition debts”. You must pay such debts directly, by yourself, outside of your Plan. However, sometimes necessary and unavoidable post-petition debts arise, and you may need to add such debts to your Plan. Examples would be taxes that have come due since filing, or medical bills that were unforeseen. A post-petition debt will not be paid under your Plan unless the Court approves an amendment of your plan, and the creditor agrees to participate in the plan and files a proof of its claim. ***Contact your attorney right away if such a claim arises to see if it can be added to your Plan.***
- B. VOLUNTARY POST-PETITION DEBT:** *You cannot incur additional indebtedness exceeding the cumulative total of \$15,000.00 principal and interest during the term of this Plan without first obtaining Court permission.* In other words, the cumulative amount of new debts you incur after your case is filed should not be greater than \$15,000.00, and that figure includes both principal and the total interest you will pay on the debt. Your attorney *must* file a motion with the Court and obtain an order approving such loan *before* you may incur any debt. If you violate this prohibition, your case may be dismissed.
- C. SELLING PROPERTY, REFINANCING, OR MODIFYING YOUR MORTGAGE:** ***You may not do any of these things without first obtaining Court approval.*** If you want to sell your property, trade in a car, sell your home or any other property of value, be sure to first discuss it with your attorney. If you sell any of your property for a profit, some of the profit may have to be applied to your Chapter 13 Plan. If you dispose of your property without the Court’s permission, the transaction may be set aside and the Court may dismiss your case with prejudice against filing another bankruptcy for a period of time set by the Court.

- D. KEEPING YOUR DIRECT PAYMENTS CURRENT:** Any secured debts which you are required to pay directly (for example, house mortgage, car payment, or furniture payment) must be kept current throughout your plan. ***Failure to make all such payments is a failure to comply with your plan and may be grounds for the Court to deny your discharge or dismiss your case.*** If you miss payments, it is very likely that the secured creditor will ask that the stay be lifted so that it can commence with repossession or foreclosure of the collateral. If you are having a problem making your direct payments or have fallen behind in these payments, contact your attorney immediately to discuss options that may be available to try to save your real estate or other collateral. These problems are much easier to solve if they are dealt with early rather than late.
- E. TAXES:** ***During your case, you must file all local, state and federal tax returns each year and any tax due must be timely paid by you.*** It may be necessary to reduce the number of personal exemptions you take from your payroll so that enough taxes will be deducted from your wages and you will not be confronted with a tax liability when returns are filed. If you realize that you will not be able to pay any of these taxes on time, contact your attorney to see if they can be brought into your Plan.
- F. FINANCIAL EDUCATION COURSE:** In order for you to obtain your discharge (see next paragraph), ***you must complete a personal financial education course after your case is filed and before you make your final Plan payment.*** This course must be taken by a provider that is approved by the Department of Justice.

The course length is typically 2-3 hours and you must complete the entire course to obtain the necessary Certificate of Completion. The Trustee urges you to take it early in the case so that you can use the budgeting advice to help you successfully complete your Chapter 13 case.

- G. DISCHARGE UPON COMPLETION OF PLAN PAYMENTS:** After you have (i) successfully completed your Plan payments, (ii) timely made all direct payments, and (iii) took the Financial Education Course, you are eligible for a discharge of all of your dischargeable debts. A discharge of your debts means that you are no longer legally liable for any balance remaining to any creditor listed on your schedules and provided for in your Plan, with the exception of (i) long-term debts such as mortgages, (ii) alimony and child support, (iii) most student loans, and (iv) any other debts that may not be dischargeable. Once the Trustee has advised the Court and your attorney that you have completed your Plan payments, you *must* file with the Court a Certificate of Completion. If no objections are filed, you will receive an order from the Bankruptcy Court granting your discharge. Within a few months thereafter you will receive a copy of the Trustee's Final Report, which will set forth all payments made by you and all payments made by the Trustee to your creditors. You should keep the Final Report and the Discharge Order with your valuable papers. Since not all debts are dischargeable, you may wish to consult your attorney about your particular situation.

It is very important to keep a copy of all of your bankruptcy papers. You will need these documents to re-establish your credit and make sure your credit report correctly reflects your financial situation after your Chapter 13 case has been completed. If you lose your Chapter 13 documents, you should contact your attorney or the Bankruptcy Court to obtain another copy.

CREDIT RATING AND CREDIT REPORTS

Your credit rating is determined differently by different lending institutions, but all of them rely upon the same basic information. There are three main credit reporting agencies in this country (Equifax, Experian, and Trans Union). First, obtain a recent copy of your credit report at the beginning of your case to make sure you include *all* of your debts--new and old, disputed and undisputed, big and small--on your Chapter 13 schedules. Second, you should also obtain a copy of your credit report on a regular basis (at least once a year) to make sure that no one is impersonating you or using your name and Social Security number to fraudulently obtain credit under your name. Regularly checking your credit report is one of the few ways to find out if this is happening to you. Third, a few months after your Chapter 13 case is filed, you should probably check your credit report to make sure that it correctly states which of your debts are being paid in your case. Fourth, about six months after your Chapter 13 case is over, you should check your credit report again to make sure that it correctly identifies all of the debts which have been taken care of in the case. Only if your credit report accurately reflects what happened in your Chapter 13 case will you receive the full benefit of your successfully completed Plan.

If the credit report contains errors, you need to write to the agency with copies of your bankruptcy schedules to correct these mistakes, and follow up later to make sure the information is accurate. Finally, you are allowed by federal law to write a statement of up to 100 words, send it to the credit reporting agencies, and insist that this statement be made a part of your credit report and sent to anyone asking to see a copy of your report. Such a statement can explain, for example, why you had to file bankruptcy, or contain any other information which might help to explain your financial problems.

CREDIT REPORTING AGENCIES

Equifax

P.O. Box 105851
Atlanta GA 30348-5496
Tel: 1 800 997 2493 or 1 800 685 1111
Internet: www.equifax.com

Experian

P.O. Box 2104
Allen TX 75013-0036
Tel: 1 888 397 3742
Internet: www.experian.com

TransUnion

P.O. Box 2000
Chester PA 19022
Tel: 1 800 916 8800
Internet: www.transunion.com

You may obtain a free credit report from each of these credit reporting companies once every 12 months. You may order your free report by contacting:

Phone: (877) 322-8228
Internet: www.annualcreditreport.com
Mail: Annual Credit Report Request Service
P.O. Box 105281, Atlanta GA 30348-5281

STUDENT LOANS AND CHAPTER 13

The Bankruptcy Code Section 523(a) (8) makes it so that most student loans will not be forgiven, or discharged, in a bankruptcy proceeding. The presumption is that you will generally still owe them when your case is complete. You do have options for how you will address your student loans during and after your Chapter 13 Bankruptcy case. Some of those options include:

Take advantage of the bankruptcy protection and do nothing. If you do nothing, there may be an administrative deferral of your loans during the chapter 13 plan term. The student loan lender(s) must file a claim to share in any funds paid in your case. However, interest will continue to accrue and compound, so that *you may owe more on the student loan after your plan is complete than you owed when you filed your case.*

Separately classify your student loans in your Chapter 13 Plan. Under the right circumstances, you may be allowed to separately classify the student loans in your chapter 13 Plan, pursuant to Bankruptcy Code Section 1322(b)(1) as a long-term debt, or otherwise. Please speak with your attorney about this option.

Income-Driven Repayment Plan. You may apply for an "Income Driven Repayment Plan" or "IDR" for federal student loans (not private student loans). There are various plans under the category of IDR and, if you are approved and comply with the terms for the length of the IDR, there is forgiveness of the debt. It is best to begin this process as soon as possible.

Total and Permanent Disability Discharge. If you are disabled and your disability is recognized by Veterans Affairs, the Social Security Administration, or your physician will testify that your disability is permanent and total, , then you might qualify for a "Total and Permanent Disability Discharge" or "TPD." In some instances, a TPD may be granted solely upon the referral from Veterans Affairs or the Social Security Administration. You can find more information here: <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge#show-disability>. Please talk to your attorney.

Undue Hardship Standard in an Adversary Proceeding. In some circumstances, your attorney may file a Complaint to have the student loans discharged if you are completely unable to make any payment at all. The standard to get a discharge through this process is very high. This process is changing as the Department of Education recently issued new guidance to create a more collaborative process to achieve discharge of the debt. Please discuss with your attorney.

How Access Your Student Loan Information:

Please download your student loan information into a readable file and share it with your attorney:

- Log in at <https://studentaid.gov/>
- Click or touch "My Information" and click on loans under your name
- Print and Save this Information
- There is a link to "Apply for an Income-Driven Repayment Plan" if you wish to begin the process
-

You can obtain an estimated repayment figure at this link:

<https://studentloans.gov/myDirectloan/mobile/repayment/repaymentEstimator.action>