



The McKenna Storer Bankruptcy Checklist

A Comprehensive Guide

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Frequently Asked Questions

Answers to Some of the Most Frequently Asked **Questions about Bankruptcy**

Should I file for bankruptcy?

This is a difficult question with no easy answer. You may want to file bankruptcy if you answer “yes” to any of the following questions:

- Have you been paying on creditor card for years without lowering the balances?
- Would it take you more than five years to pay all your creditors in full?
- Do you have a high-interest car loan, and your car is more than two years old?
- Is your house underwater?
- Have you received notice of a lawsuit?
- Are your wages being garnished?

You also may file to stop creditors from harassing you, taking you to court or garnishing your wages.

Will I lose my house and/or car if I file for bankruptcy?

No, individuals do not automatically lose their home, car, or other property just because they file for bankruptcy. The federal bankruptcy laws and state property exemption laws offer protection for consumers’ most important assets.

What chapter should I file?

The decision to file a Chapter 7 bankruptcy to wipe out your debts or to file a Chapter 13 to consolidate your debt in a structured repayment plan should be made in **consultation with a knowledgeable bankruptcy attorney**. There multiple reasons to file a chapter 7 vs. a chapter 13.

What are the pros to filing for bankruptcy relief?

- A fresh financial start
- Stopping creditor harassment
- Ability to rebuild your credit
- Ability to start saving

Can I be denied bankruptcy?

Individuals will only be denied a bankruptcy after allegations of fraud, misrepresentation or perjury are proven true.

What should I expect when I file bankruptcy?

1. You will need to compile these documents:

- List of creditors
- Proof of income
- Creditor reports
- Tax returns
- Recent billing statements
- Bank statements

2. You will need to complete required courses:

- Credit counseling before filing
- Debtor education (also called financial management)

3. You will need to review and sign bankruptcy documents

4. You will need to attend a hearing with the trustee assigned to your case

Can I file for bankruptcy if I am not a U.S. citizen?

Yes, Legal Permanent Residents may take advantage of the bankruptcy laws just like naturalized citizens.

How much does it cost to file for bankruptcy?

You will need to pay attorney fees, a filing fee, and fees to complete required courses. Attorneys charge different fees but can provide you with an estimate on -costs after a consultation. Keep in mind the phrase “you get what you pay for”. An attorney with the lowest fee may provide with the least amount of face time and direct your calls to an assistant. An attorney that charges a fair fee will answer your questions, be available to respond to emails and calls, and meet with you when needed.

What should I look for in an attorney?

An attorney that has significant experience with filing bankruptcy cases. McKenna Storer has over 20 years of experience in representing clients in bankruptcy courts.

Additional Resources

Information on Bankruptcy

<http://www.uscourts.gov/services-forms/bankruptcy>

<http://www.ilnb.uscourts.gov/>

<https://www.abi.org/consumer-bankruptcy-2017>

Information on Consumer Debt and Creditor Harassment

<https://www.consumerfinance.gov/>

<http://www.illinoisattorneygeneral.gov/consumers/filecomplaint.html>

Information on Student Loans

<https://studentloans.gov>

Free Credit Reports

<https://www.annualcreditreport.com>

Property Values

Homes:

<https://www.zillow.com>

Household goods/Electronics/Clothing:

https://www.goodwill.org/wp-content/uploads/2010/12/Donation_Valuation_Guide.pdf

<https://satruck.org/Home/DonationValueGuide>

Cars:

<https://www.kbb.com/>

<http://www.nada.com/>

Service Notice

We provide assistance with debt relief, business formation, business and commercial litigation, and represent both debtors and creditors. For more information on our services contact Laurel Palma at 815-334-9694 or lpalma@mckenna-law.com.

Initial Consultation Questionnaire and Final Disclosures

Important Notice:

All the information provided for your bankruptcy, and included in your paperwork, must be complete, accurate, and truthful. You must accurately disclose all of your assets and all of your debt. Information that you provide during your case may be audited later.

Questionnaire

Name:	
Address:	
Phone No.:	Email:
Sources of income:	
Average monthly income: before taxes \$ _____ /after taxes \$ _____	
Are you single or married:	Number of dependents:
Debts: If you own your home, how much do you owe on your mortgage? If you rent, how much do you pay each month? How much do you owe for credit cards? How much do you owe for medical bills? How much do you owe for student loans? How much do you owe for unpaid taxes? How much do you owe family members and friends?	
Assets: What is the current value of your home? Please list the vehicles you own or are financing? Does anyone owe you any money? If so how much? Have you recently suffered an injury in a car accident or on the job? Do you expect to inherit any property soon?	

Are you or a parent a beneficiary of a life estate?

Do you have pension/IRA/Annuity?

Do you have any joint accounts with a parent or child?

Please detail your current financial difficulties and/or problems with creditors:

Required Documents

- 6 months proof of income from all sources
- 6 months of statements from all bank accounts
- 2 years of tax returns (4 years for chapter 13)
- Current retirement/pension account statement
- Proof of life insurance (whole or term)
- Most recent billing statements from creditors
- Most recent mortgage statement
- Most recent notice from the IRS and/or IL Department of Revenue
- Separation Agreement (if recently signed)
- Divorce Decree (if entered in the last 2 years)
- Completed client questionnaire that is provided by our office
- Credit Counseling and financial management certificates

NOTE: You may be required to provide additional documents based on your specific circumstances. The additional required documents may include mortgage documents, lease agreements, copies of lawsuits, stock certificates, property appraisals, and/or estate documents such as wills or trusts.

McKenna Storer is a Debt Relief Agency under the Bankruptcy Code

A debt relief agency is "any person who provides any bankruptcy assistance to an assisted person in return for the payment of money or other valuable consideration, or who is a bankruptcy petition preparer" under 11 U.S.C. § 110. "The term 'assisted person' means any person whose debts consist primarily of consumer debts and the value of whose nonexempt property is less than \$150,000." 11 U.S.C. § 101(3). McKenna Storer is a "debt relief agency" under the Bankruptcy Code.

A debt relief agency: is required to perform promised services, 11 U.S.C. § 526(a)(1); is prohibited from advising that a debtor make an untrue or misleading statement in connection with any case filed under the Bankruptcy Code, 11 U.S.C. § 526(a)(2); must properly represent the services to be rendered, 11 U.S.C. § 526(a)(3)(A); must properly represent the balance of benefits and risks of filing bankruptcy, 11 U.S.C. § 526(a)(3)(B); and must not advise a debtor to incur additional debt to pay for any services to be rendered, 11 U.S.C. § 526(a)(4).

Disclosure Statement Pursuant to 11 U.S.C. §527(a)(2)

You are advised that:

1. All the information you are required to provide with a petition and thereafter during your bankruptcy case must be complete, accurate, and truthful under penalty of perjury.
2. You must completely and accurately disclose all of your assets and all of your debts in your bankruptcy petition. If required to provide the value of an asset, it must be the replacement value at the time your case is filed, and you must provide an accurate retail replacement value based on the type, condition and age of the property.
3. The following information, which appears on Official Form 22, Statement of Current Monthly Income, is required to be stated after reasonable inquiry: current monthly income, the amounts specified in section 707(b)(2), and, in a case under chapter 13 of the Bankruptcy Code, disposable income (determined in accordance with section 707(b)(2)).
4. Information that you provide during your case may be audited pursuant to provisions of the Bankruptcy Code. Failure to provide such information may result in dismissal of the case under this title or other sanction, including criminal sanctions.

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules, and Statement of Financial Affairs, and in some cases a Statement of Intention, need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of the creditors where you may be questioned by a court official called a 'trustee' and by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts.

If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.