

SECTION 527(c) NOTICE

HOW TO PROVIDE THE INFORMATION REQUIRED IN YOUR BANKRUPTCY PETITION, SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS:

(1) HOW TO VALUE ASSETS AT REPLACEMENT VALUE:

You must determine how much your property is worth as of today. “Property” means both real estate (land) and other possessions. The value of your possessions is how much it would cost to replace the item with a similar item of the same age and condition. For almost all household items, this is the “yard sale” or “flea market” price for used items. If there is a market for your property, like for jewelry, autos, guns, antiques & collectible items, you may use that market to determine value. The value of real estate may be determined by any current appraisal, comparisons to other similar land and other methods.

(2) HOW TO DETERMINE CURRENT MONTHLY INCOME:

Current monthly income is determined by adding up all income or money received from any source, for any reason, in the six calendar months prior to the month in which your case is filed and averaging the total over 6 months. Sources of income include, but are not limited to: earnings, salary, business gross income, rent income, government and private assistance, direct or indirect insurance payments for disability, tip income, inheritance income, receipts from a trust, worker’s compensation settlements or payments, unemployment compensation, prize or lottery winnings and 401k or IRA & other pension disbursements.

(3) HOW TO DETERMINE IF A CHAPTER 7 FILING MAY BE CONSIDERED AN ABUSE OF THE PROVISIONS OF CHAPTER 7

Some cases may be subject to dismissal if the debtors have too much disposable income. To determine this, the current monthly income is multiplied by 12 to get an annual income. This annual income is compared to a chart of the state’s median annual income for families of similar size. Abuse is not presumed if your family income is less than the median. If your family income is over the median, then you are required to submit an analysis of your budget called “the means test.” The budget includes a mix of your actual expenses each month, IRS monthly budget allowances, and your secured debts, modified as required. If you show, after monthly deductions from your income that you have between \$100.00 to \$168.00 per month extra, then you may be denied relief under Chapter 7, unless you can show “special circumstances” affecting your income or expenses.

(4) HOW TO DETERMINE DISPOSABLE INCOME IN CHAPTER 13 CASES.

To determine this, first take the current monthly income (as determined above) and deduct child support payments, foster care payments, or disability payments for a dependant child to the extent reasonably necessary to be expended for such child; then deduct hour household expenses, any domestic support obligations you owe, and deduct up to 15% of your gross income if you give to a religious or charitable organization. If you are engaged in business, you may also deduct your necessary business expenses. The amount left over is your disposable income and may be the amount you will be required to pay over the term of your chapter 13 plan.

(5) HOW TO COMPLETE THE LIST OF CREDITORS, INCLUDING HOW TO DETERMINE WHAT AMOUNT IS OWED AND WHAT ADDRESS FOR THE CREDITOR SHOULD BE SHOWN

In order to determine your list of creditors, the amount owed and what address should be shown, we will need to see your bills and other communications from each creditor for 90 days immediately prior to the commencement of your case. We require the purchase of credit reports. We will also utilize a National list of creditors' addresses for additional information.

(6) HOW TO DETERMINE WHAT PROPERTY IS EXEMPT

When you provide us the complete list of your property and its value as required in paragraph 1, we will evaluate with you applicable law of your state of residence, as well as any other state in which you may have lived in recent years to determine which exemption applies. Exempt property is property owned by you that you cannot be required to surrender in a bankruptcy case. The amount you may keep is different for different types of possessions and varies widely from state to state.

_____ Date: _____
_____ Date: _____