

# Ziulkowski & Associates, PLC

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**Sterling Bankruptcy Center**

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## Chapter 7 Timeline

A Chapter 7 bankruptcy has 2 phases. The first phase is from the time you meet your attorney to when the case is filed. During this period, you will be gathering documentation necessary to prepare your case for filing. You will review the drafts of your petition and schedules prepared by one of the bankruptcy attorneys at Ziulkowski & Associates and Sterling Bankruptcy Center. Once your chapter 7 petition and schedules are finalized, your case will be filed with the court. The length of time it takes to finalize your petition and schedules depends greatly on how quickly you provide Ziulkowski & Associates and Sterling Bankruptcy Center with the necessary documentation and comments to your drafts.

The filing date of your chapter 7 bankruptcy case can be viewed as the birth date in the federal court system for your Chapter 7 bankruptcy. Once your Chapter 7 bankruptcy case is filed, it generally moves quickly. The court will immediately appoint a trustee to oversee your case. The trustee's job is to review the documents you filed in your chapter 7 bankruptcy case and see if there are any assets he or she can liquidate for the benefit of unsecured creditors. In most cases, the debtor will get to keep everything he or she owns.

Within 21 to 45 days after your chapter 7 bankruptcy case is filed, you will attend the 341 hearing otherwise known as the first meeting of creditors. At that meeting, you will be sworn in and the chapter 7 trustee will ask you questions regarding the information contained in your chapter 7 bankruptcy petition and schedules. Creditors will also have an opportunity to ask you questions regarding your finances. In most cases, you are only questioned for five to ten minutes.

After your chapter 7 - 341 hearing is concluded, the trustee and creditors will have 30 days to object to your exemptions. Under the bankruptcy code, debtors are allowed to exempt or keep certain assets provided the items are valued within the allowable exemption. If an exemption is over used or applied improperly, the trustee and creditors have the right to object. If they do not object within the 30 days from the 341 hearing, your exemptions will be allowed as filed.

You must complete a poste-petition financial management class within 45 days of your 341 hearing. Failure to do so will result in the closure of your case without a discharge. Generally, debtors use the same company they used for their credit counseling course.

If the trustee or a creditor wishes to object to your chapter 7 bankruptcy discharge, they must do so within 60 days after the conclusion of your 341 hearing. If they do not, then they

are generally barred from objecting to your discharge. In most cases, the debtor will receive their order of discharge between 61 and 180 days after your 341 hearing.

However, there are some important dates that can affect your right to file a case and get the relief available. The following filing timeline illustrates the relevant dates in the typical Chapter 7 bankruptcy case. One of the experienced bankruptcy attorneys at Sterling Bankruptcy Center can help you see what details may affect your case. Call us today for a free consultation.

### **6-8 Years Before Your Bankruptcy**

If you received a Chapter 13 or Chapter 12 discharge in a bankruptcy case filed within the previous six years, you will be eligible for a Chapter 7 discharge generally if, in the prior case, you paid at least 70 percent of your allowed unsecured claims, and your plan was proposed in good faith and was your best effort.

You must wait 8 years from the date of filing a chapter 7 bankruptcy case to file another case.

### **1 Year Before Your Bankruptcy**

- If the court determines that you have tried to delay or defraud your creditors by transferring, hiding, or destroying your property within the 1-year period prior to your bankruptcy, your Chapter 7 discharge may be denied and the court could allow your creditors to recover the property that you transferred.
- If you pay back a family member or close business associate ("Insider") within one year prior to filing your chapter 7 bankruptcy case, the trustee has the right recover the money as it is a preference payment, meaning one creditor was given preference over other similarly situated creditors. Once the trustee recovers the preference payment, he or she will distribute the proceeds to other unsecured creditors.
- If you had a prior bankruptcy case dismissed within one year of the time you file a Chapter 7 case, the Automatic Stay entered in the Chapter 7 case will be terminated within 30 days unless you file a motion with the court and a hearing is conducted within 30 days of filing your chapter 7 case and demonstrate that you filed your current Chapter 7 bankruptcy case in good faith.

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### **180 Days Before Your Chapter 7 Bankruptcy**

If you filed a bankruptcy case and it was dismissed because you failed to obey a court order or you voluntarily requested a dismissal, they you may not file another bankruptcy case for 180 days.

Also, within the 180 days before your bankruptcy filing, you must receive an individual or group briefing from an approved nonprofit budget and credit counseling agency.

### **90 Days Before Your Chapter 7 Bankruptcy**

- To file chapter 7 bankruptcy protection in Michigan, you must be a resident of the state for at least 90 days before the filing. If you have not lived in Michigan for at least 90 days, you may only file your case in the state where you have resided, or which has been the location of your principal assets, for a majority of the prior 180 days.
  - Also, if you pay back any of your creditors, even one who is not an Insider, \$600 or more at any time within the 90-day period prior to the filing of your chapter 7 bankruptcy case, the payment may be considered an unlawful preference and the trustee may recover all such payments and distribute them to your other creditors.
  - If you incurred new credit of \$500 or more for "luxury goods or services" within the 90-day period before your bankruptcy, or if you obtain a cash advance in the amount of \$750 within 70-day period before your bankruptcy, the debt is presumed to be non-dischargeable.
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Ziulkowski & Associates and Sterling Bankruptcy Center are debt relief agencies. We assist individuals and businesses to obtain relief under the United States Bankruptcy Code. Nothing in this document creates an attorney client relationship, nor is it intended to provide legal advice.

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