

We Help, We Listen, We Care

Sterling Bankruptcy Center

www.sterlingbankruptcy.com

What is bankruptcy?

"Bankruptcy" allows individuals and certain entities to get permanent relief from many debts and obligations such as credit card bills, loan payments, mortgages, leases, and other contracts, just to name a few. These individuals and entities are called debtors. Bankruptcy allows debtors to wipe the slate clean and get a "fresh start" in their financial affairs. Once a bankruptcy has been concluded, the debtor is discharged from many debts, this means the debtor is no longer legally obligated to pay the discharged debts. You have the opportunity to start over, fresh and new.

Will bankruptcy stop creditors from calling?

Yes. Once you file bankruptcy the law prohibits creditors from contacting or taking any action against you to collect debts, and we will deal with your creditors once we undertake your representation.

Will I lose my house or car?

Not necessarily. In many cases, you can reaffirm your debts and keep your house or car. You also will be able to keep your qualified retirement accounts in almost every case.

Will I ever be able to buy a house?

Most mortgage companies tell us that after 2 years, bankruptcy doesn't hurt your chances of buying a home, so long as you are otherwise qualified. Also, there are a number of lending institutions that specialize in providing post bankruptcy loans.

Will I be able to finance a new car after bankruptcy?

Probably, so long as your income qualifies you. However, it is likely that you will be charged a higher interest rate.

Can I keep any credit cards?

Maybe. Under some circumstances you may be able keep some credit cards if you and the creditor agree. There are many factors which must be considered, including the credit card balance at the time of the bankruptcy, your willingness to reaffirm the debt, what terms the credit card company is willing to accept and your ability to pay the present and future credit card debt. These are all things that will be discussed in the initial meeting with a Ziulkowski & Associate attorney.

What does bankruptcy do to my credit?

Bankruptcy will show up on your credit report. However, if you are filing bankruptcy, your credit rating is probably already negatively affected by late payments, collection actions, judgments, etc. Even if all your payments have been made on time, you probably owe so much money that a new credit application wouldn't be granted. Being in debt and making all of your payments doesn't mean that you have good credit...it just means that you are in debt.

Will my employer or landlord find out about my bankruptcy?

While bankruptcy petitions are public records, unless you name your employer or landlord as a creditor on your petition, under normal circumstances, they may not find out about your bankruptcy.

Can my employer fire me for filing bankruptcy?

No. The law prohibits government units and private employers from discriminating against you because you filed a bankruptcy petition or because you failed to pay a dischargeable debt.

If I file bankruptcy, does my spouse have to?

No. In some situations, it is better that only one spouse files bankruptcy.

Janet M. Ziulkowski, Esq.

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Will I have to go to court?

About 30 to 60 days after filing the bankruptcy petition, you will have to attend a 341 hearing, also known as the First Meeting of Creditors. The bankruptcy trustee will preside over the hearing and oversee your bankruptcy case, not a judge. At the 341 hearing the trustee will ask you questions under oath regarding the content of your bankruptcy papers, your assets, debts and other matters. Creditors will also be permitted to ask you questions, although creditors questions are usually limited to a few and in most cases creditors do not ask questions at all. If we are retained to represent you, one of our attorneys will appear at the 341 hearing with you. After the 341 hearing you normally do not need to return to court. However, if a creditor or the trustee files a motion or an adversary action, you may have to appear in court.

Would a debt consolidation company be better?

Often, individuals find themselves signed up with a debt consolidation company only to find that their payments to the plan are greater than the original credit card payments, and within a short time find themselves unable to make the plan payments. As a result, they find themselves robbing Peter to pay Paul and getting farther and farther in debt. For many people debt consolidation does not work.

Can I discharge my student loans by filing bankruptcy?

Educational loans guaranteed by the U. S. government are generally not discharged by a Chapter 7 or Chapter 13 bankruptcy. They may be dischargeable, however, if the court finds that paying off the loan will impose an undue hardship on the debtor and his or her dependents.

What effect does a bankruptcy filing have on the collection of alimony and child support?

The result depends on whether the debtor filed a Chapter 7 or a Chapter 13 bankruptcy. A Chapter 7 filing should have no effect on such collections, but a Chapter 13 proceeding may stop the collection activities, at least temporarily. However, neither a Chapter 7 nor a Chapter 13 discharge affects future child or spousal support obligations. In other words, even at the conclusion of the bankruptcy proceeding, these on-going obligations remain.

How much does it cost to file bankruptcy?

There is a court filing fee that varies depending on the type of bankruptcy you file, currently the filing fee for chapter 7 is \$299. This fee must be paid to the Federal Court at the time of filing your petition. Attorney fees vary, depending on how simple or complicated your case is and what you need the lawyer to do. We have payment plans available for most cases, and we will try and work with you to come up with a fee and a payment plan that you will be comfortable with.

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