



JACK BERMAN & ASSOCIATES, PC

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Chapter 13 Information and Engagement Agreement

When you first meet with the Attorney, you will go through an interview to determine if there are any issues to consider before filing the case. You must truthfully disclose to the Attorney ALL of your assets, ALL of your income and ALL of your debts so that an accurate assessment of your situation can be made. Once it is determined that you qualify, the Attorney will gather additional information from you so that your bankruptcy paperwork can be prepared. You must set up an appointment with the Attorney to review and sign all of your bankruptcy paperwork before the case can be filed.

If you have a foreclosure sale pending on your home it may be necessary to file the case immediately to save your home. Filing the Bankruptcy can only stop a foreclosure sale before the sale happens. If you have received a Notice of a Foreclosure Sale you should tell the Attorney immediately.

If an emergency case is filed you must see the Attorney again within ten days to complete the filing. Emergency cases are cancelled if all paperwork is not completed and signed within two weeks of filing an emergency case.

If your motor vehicle has been repossessed, Chapter 13 payment plans can provide for an immediate return of the motor vehicle. Naturally, the vehicle will only be returned if the auction for the sale of the vehicle was not completed before the filing of the case and the return of the vehicle is subject to presentation of full coverage insurance. Please note, a leased vehicle will not be returned after repossession.

Our office recommends that you obtain a credit report to ensure that you have included all of your bills in your bankruptcy paperwork. A fee of \$100.00 plus court costs will be charged to add bills after the case is filed. Credit reports can be obtained for free at www.annualcreditreport.com or through our office for a fee of \$50.00 per person.

You sign your Bankruptcy Paperwork under penalty of perjury. It is essential that your Bankruptcy Paperwork is a truthful and accurate representation of your assets, income and debts. It is of great importance to the Attorney and the Court that you take the time to read your papers carefully prior to signing. Any errors should be brought to the attention of the Attorney. All of your bills must be included in the Bankruptcy. You are not allowed to selectively exclude any bills. If you discover that you failed to include a bill you should let the Attorney know so it can be added to the case.

Once filed; you will be provided with a complete copy of the Bankruptcy paperwork that was filed with the Court. You should review this paperwork several times. If you find errors they should be brought to the attention of the Attorney.

It is a local requirement that all Tax Returns required by law must be filed with the appropriate taxing authority (Federal, State and Local) or a Chapter 13 bankruptcy cannot be confirmed by the Court. The case can be filed, however, the "missing" tax returns must be prepared within thirty days and delivered to your Attorney with original signatures for processing with the appropriate taxing authorities and the Court.

You must understand that the plan payment for the Chapter 13 Payment Plan is subject to change based upon the actual bills presented to the Court by creditors and after a full review of the debtors income and expenses.

The first Chapter 13 payment is due immediately after the filing of the case. You must understand that it is your responsibility to make Chapter 13 payments to the Trustee. In most cases the payments will be taken directly from your paycheck. However, as there is often a delay in processing a pay-roll deduction order, the client usually must make the first one or two payments on their own. Written instructions will be provided to you for the making of these payments immediately after an account number and Trustee are assigned to your case. If you do not receive a paycheck, the Court requires that you give your Attorney a voided Personal check so that plan payments can be deducted from your checking account. If you do not have a bank account ask the Attorney to help you make other arrangements.

You are required to bring proof of payments made to the Trustee to all hearings. Proof of payment is defined as money order receipts, pay-stubs, canceled checks and check registers.

You must understand that all homes and automobiles must be fully insured. In other words, even if payments are being made a home or automobile can be forfeited if proper insurance is not maintained.

The new bankruptcy law has created a significant obligation for parents who are under a child support obligation. If you are required to pay child support you must properly maintain all current child support payments during the Chapter 13 proceedings or you will lose the benefit of bankruptcy protection. This new requirement is similar to the new requirements prohibiting renewal of a drivers license and other penalties for not paying child support.

Please consider the fact that all cases are different. Therefore, if you believe that you have an unusual issue or circumstance, you should carefully cover them with our office.

In addition, the Bankruptcy Court and the Trustee require Chapter 13 debtors to submit Income Tax Refunds to the Trustee which brings mortgages current more quickly and enhances, or improves the dividend to unsecured creditors. Naturally, the improvement of the dividend cannot bring the dividend to an amount more than the actual bill. However, many debtors are uncomfortable submitting Income Tax Refunds to the Trustee. Therefore, we recommend prior to filing your case, you should change the withholding at your place of employment so that you can obtain a larger paycheck and receive a smaller Income tax Refund. Our normal suggestion is that you increase the withholding on the W-2 form at your place of employment by 2, only if you have traditionally received large tax refunds. In addition, we recommend that the additional money that you receive by changing the withholding be deposited in a savings account every payday so that it will be available in an emergency. We call this a contingency fund.

The Attorney fee for Chapter 13 is a flat fee of \$3,500.00. A \$500.00 deposit is required to retain the Attorney. The balance of the Attorney fee is included in the Chapter 13 payment plan. The \$500.00 deposit applies only to those individuals who can document their income. An increased deposit may be required for those who are self-employed or paid cash and have no documentation to prove their income.

Any work required after Confirmation is billed at an hourly rate of \$300.00 per hour or such other rate as the Attorney adjusts to in the future.

There are additional fees for additional work, such as a Lien Strip or a Loan Modification. The Court charges a filing fee of \$313.00 which you may pay direct to the Court or through my office.

You will receive a substantial amount of paperwork from my office during this case. If you prefer to receive paperwork and letters by E-mail please initial this paragraph and provide your E-mail address:

_____.

This is a contract and I understand that I am promising to pay Attorney Fees and accruing Attorney Fees as I have gone beyond an initial no cost consultation.

SIGNED:

DATED:

