

TO BE ABROGATED UNDER PROPOSED AMENDMENT TO RULE

LOCAL BANKRUPTCY FORM 4004-1

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF PENNSYLVANIA

INFORMATION REGARDING YOUR BANKRUPTCY DISCHARGE

The 341 meeting (first meeting of creditors) in this case has been completed and the trustee has indicated that he/she has or will file the final account or report in this case. If no objections to discharge are filed, you will be receiving your discharge in bankruptcy. The discharge, as you know, “cancels” certain debts that you had at the time the bankruptcy was filed.

You will not be required to appear in court to get your discharge order. However, if you desire a discharge hearing, a written request should be filed, before the last date set to object to the discharge. If no objections to discharge are filed, you can expect to receive an order, signed by the Judge, in the mail in approximately three months. When you receive the discharge order, you should put it in a safe place with your other valuable and important papers because you may have to show it to creditors later.

It is very important that you understand the significance and extent of your discharge. If you have any questions after reading this information sheet, you should speak with your attorney immediately.

You must understand several things about your bankruptcy discharge:

1. If you have a debt that you owed at the time that the bankruptcy was filed, but do not have it listed on your bankruptcy schedules, it might not be discharged. IF you have such a debt, your attorney should immediately file AMENDMENTS to your Schedules prior to the date the discharge order is signed.
2. **ONLY DEBTS OWED FROM THE PERIOD BEFORE THE BANKRUPTCY WAS FILED WILL BE DISCHARGED.** This bankruptcy discharge will not ordinarily (unless it has been converted from Chapter 13) discharge debts that you became obligated to pay during the bankruptcy. Your discharge will only cover your personal obligation to pay debts. It will *not* cover co-signers on your debts and it will have no effect on most security interests, like home mortgages and encumbrances on motor vehicles.
3. Once you receive your discharge in a Chapter 7 case, **YOU CANNOT FILE ANOTHER BANKRUPTCY AND GET ANOTHER DISCHARGE** in a Chapter 7 case **UNLESS SIX YEARS HAS PASSED BETWEEN THE DATE THIS BANKRUPTCY WAS FILED AND THE DATE ON WHICH THE NEW BANKRUPTCY (Chapter 7) IS FILED.**

4. If you want to REAFFIRM A DEBT, AVOID A LIEN, OR REDEEM PROPERTY, you should do so BEFORE THE DISCHARGE ORDER IS SIGNED. Therefore, you should tell your attorney now if you want to do this if you have not already done so. What this means is as follows:

- a. Certain liens (judgments, levies, nonpurchase-money interests in household goods) can be *eliminated entirely* by asking the court do so.
- b. Other liens, like mortgages, motor vehicle encumbrances, and purchase money security in other goods *probably cannot be eliminated*. However, you may redeem most types of consumer goods from a lien by paying the current value of the goods to the creditor.

If you think that any of these agreements or motions should be filed in your case, or if you want additional information, contact your attorney.

5. Remember: You can pay anybody you want after your discharge; however few debtors do.

6. The Bankruptcy Code prohibits the discharge of certain types of debts. Your attorney can describe to you in detail the types of debts that CANNOT BE DISCHARGED.

The list includes:

- a. Recent taxes on real estate (approximately two years old) or income (approximately three years old.)
- b. Student loans, unless you file a complaint in bankruptcy court or perhaps some other court claiming undue hardship as a result of paying such a loan.
- c. Certain fines, penalties, and court imposed restitution obligations.
- d. Some debts arising from operating a motor vehicle while intoxicated.

If a creditor files a complaint within 60 days of your hearing and succeeds in proving that it has a debt arising from fraud, breach of fiduciary duty, or willful injury on your part.

7. It is important that you know the significance of your discharge order. if a debt is discharged, the creditor cannot force you to pay that particular debt. This means that the creditors cannot legally start an action against you for that debt, continue an action that had been started before the bankruptcy, send you collection letters, or harass you in any other way. If this type of harassment occurs, you should contact your attorney immediately.

This information sheet is intended as a summary of certain points of interest regarding your bankruptcy discharge. The terms used in this information sheet are intended to be simple so that

they can be understood; the law is much more detailed. This information therefore is not “the law” and is only a summary designed to help you understand this phase of your bankruptcy.

Each bankruptcy is unique. The special facts of your case may make it important that you understand additional bankruptcy law. Discuss this information with your attorney. Ask him/her to answer any questions you have now or any questions that may arise in the future.

TO BE ABROGATED UNDER PROPOSED AMENDMENT TO RULE

LOCAL BANKRUPTCY FORM 4004-2

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

CHAPTER 12 and 13 DISCHARGE INFORMATION SHEET/Case &

I. OVERVIEW

The chapter 13 (*if appropriate chapter 12*) trustee (trustee) has reported to the Court that you have completed your plan payments. The Judges of this Court do not want you to miss any work time unnecessarily. Thus, instead of requiring that you attend a formal hearing to receive your discharge, you will be required only to review this information sheet. A separate copy has been mailed to your attorney.

II. SIGNIFICANCE OF YOUR DISCHARGE

A. THE MEANING OF THE WORD “DISCHARGE”

It is very important that you understand what debts you will be free of because of the discharge that you will be receiving. If you have any questions after you read this, please call your attorney.

When we say that a debt is discharged, we mean that it no longer exists. Since a discharged debt is no longer a debt, the person to whom you owed the money cannot try to collect it from you. If a particular debt is discharged in this bankruptcy, and the creditor continues to try to collect the money from you, you can take legal action against the creditor. If such a situation occurs, or if you receive any harassment from your creditors, you should contact your attorney immediately.

B. DEBTS THAT CAN BE DISCHARGED

It is critical that you understand which debts will be discharged in this bankruptcy. Debts that can be discharged share common characteristics. First, only debts owed at the time of the filing of your bankruptcy can be discharged—(There are certain exceptions to this rule which can be explained to you by your attorney). If you incurred more debt during the bankruptcy, that additional debt might not be discharged in this bankruptcy.

Second, a debt might not be discharged if it was not listed on the Schedules that you filed at the beginning of, or amended during, this bankruptcy.

Third, your plan must have contained some provision indicating how the debt will be treated under it.

Thus, if you have a debt that you owed prior to the filing of this bankruptcy, but you did not list it on your Schedules or did not include it in your plan, it might not be discharged. If you have such a debt, tell your attorney immediately.

C. DEBTS THAT ARE NOT DISCHARGED

Some debts are not discharged. Long term installment-type debt may not be discharged if the last payment on the debt is due after the date of your final plan payment, unless you make arrangements to pay the entire debt off under your plan. Alimony, support, or maintenance owed to a spouse, former spouse or child, will not be discharged. Student loans are not discharged unless you institute separate proceedings in bankruptcy court or perhaps some other court to assert that undue hardship would result from paying the loan. A fine or restitution obligation imposed as a sentence for a crime is not discharged. Certain other types of debts are also not discharged in chapter 13 cases.

D. LIEN AVOIDANCE AND REAFFIRMATION AGREEMENTS

If you want to AVOID A LIEN, you should do so BEFORE THE DISCHARGE ORDER IS SIGNED. Therefore, you should tell your attorney now if you want to do this. What this means is as **follows**:

- a. Certain liens (judgments, levies, nonpurchase-money interests in household goods) can be eliminated entirely by asking the court do so.
- b. Other liens, like mortgages, motor vehicle encumbrances, and purchase money security in other goods probably cannot be eliminated.

If you want to REAFFIRM A DEBT, which means that you will be legally obligated to repay the debt, even after discharge, you may need court approval in certain instances.

If you think that any of these agreements or motions should be filed in your case, or if you want additional information, contact your attorney.

III. AFTER YOU RECEIVE YOUR DISCHARGE

Under normal circumstances you will receive a copy of an order signed by the Judge granting your discharge within sixty (60) days. If you do not receive a copy of the order after sixty (60) days have elapsed, contact your attorney or the trustee. You should keep a copy of your Discharge Order, your Schedules, and your Plan with your other important papers.

This information is not “the law,” but rather a brief discussion of the significance of this phase of your bankruptcy. If you have any questions, please call your attorney.