

WHAT YOU SHOULD KNOW ABOUT YOUR CHAPTER 13 CASE

This booklet answers most of the questions that will arise during your Chapter 13 plan. Read this completely to understand your obligations and responsibilities, and refer to it later when you have questions.

Put your case number on all payments and correspondence sent to the Trustee.

Case # _____

Your Trustee Is: MARK T. McCARTY

**Phone: (501) 374-1572
(800) 339-1582 (Toll-Free)**

Fax: (501) 372-3319

Website: www.ch13ark.com

Make PAYMENTS:

Online: www.ch13ark.com

By Phone: (877) 699-7365

**By Mail: 3554 Momentum Place
Chicago, IL 60689-5335**

Mail CORRESPONDENCE to:

**P.O. Box 5006
North Little Rock, AR 72119**

Disclaimer:

This Booklet is intended to provide general information to debtors regarding their Chapter 13 cases and should not be relied upon as legal advice or opinions. While great effort has been taken to ensure that all information is accurate, the Trustee makes no representations or warranties, express or implied, regarding the applicability of the information to particular cases or specific situations.

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TOP TEN THINGS TO REMEMBER ABOUT THE TRUSTEE'S OFFICE AND YOUR CHAPTER 13 CASE

1. **Make your payments.** The Bankruptcy Court has issued an Order to Pay Trustee requiring you to make your payments. Failure to make payments will result in consequences to your case, including possible dismissal. Your payments should reach the Trustee's office by the 22nd day of each month to allow timely and regular distribution to creditors.

The first payment is due 30 days from filing the petition.

There are five options to make payments:

- a. **Payroll Deduction.** If you are employed and desire to have your plan payment payroll deducted and remitted by the employer, please send a request in writing by you personally or through your attorney. Provide the Trustee's office with the name and address of your employer, and frequency of pay. Please provide the address where payroll is processed, which may differ from the address where you physically perform your duties.
- b. **Online.** Use the ePay Internet site. From a computer, go to www.ch13ark.com and click on the "Pay Online" button and follow the instructions. The transaction fee is \$1.00. Payments made before 5:00 p.m. post to your case in 24 hours. Payments made after 5:00 p.m. post to your case in 48 hours.
- c. **By Phone.** Dial 877-699-7365. Follow the instructions. Have the case number, bank routing number, and bank account number readily available prior to making the call. The transaction fee is \$1.00. Payments made before 5:00 p.m. post to your case in 24 hours. Payments made after 5:00 p.m. post to your case in 48 hours.

For all online and phone payments, you must have a checking or savings account. Debit cards, credit cards or pre-paid cards are not accepted.

- d. **By Mail.** Mail your payments to: **3554 Momentum Place
Chicago, IL 60689-5335**

Sufficient time should be allowed for payments to reach the Trustee's office for processing before the end of the month. Payments made after the 22nd of the month may be held pending clearance, and the disbursement of the funds may be delayed.

- e. **By Overnight Delivery.** When mailing payments overnight utilizing Federal Express or United Parcel Service, the above address **may not** be used. Overnight payments must be delivered to the address below. Please note the lockbox number must be included to ensure proper delivery. Mail overnight payments to: **Fifth Third Bank, Attn: Lockbox 233554, 4900 West 95th Street, Oak Lawn, IL 60453.**

When personally remitting payments by mail, it is recommended the payments be made by money order or cashier's check.

Keep receipts/records of your payments. **You are responsible for making your plan payments.** Even if payments are remitted by employer withholding, it is ultimately your responsibility to make sure payments are made and on a timely basis.

2. **Read this Red Book for answers to your questions.**
3. **Keep track of information about your case. Read the information you**

receive from the Trustee and your attorney. The information is important. You will receive annual reports from the Trustee. Each report will list all payments made to the Trustee for the past year and the status of the payments made by the Trustee to your creditors. To access the Trustee's information regarding your case, go to www.ch13ark.com, click on "**Case Inquiry**", and follow the directions for "**Debtors Access Only**" to sign in to 13network.com.

The Trustee will send at least one "Summary Notice of Claims Filed" listing claims to be paid. If additional claims are filed or amended, you should receive other similar notices. Review these documents carefully, and if you have questions, contact your attorney or the Trustee's Office.

- 4. You may contact the Trustee's Office with questions about the administration of your case.** Prior to contacting the Trustee's Office, you may be able to find the answer to your question by checking your case information using your login and password at www.ch13ark.com as noted in Paragraph 3 above.

The Trustee's Office **cannot** answer legal questions and you should not rely on information received from the Trustee's Office as legal advice. (Questions about changing your plan or dealing with objections and motions filed in your case by creditors are types of legal questions that your attorney must answer.)

- 5. Know your case number.** Your case number is the best way to identify your case. Documents filed with the Bankruptcy Court and Trustee's Office are filed and maintained by case number. **Print your name and case number on all payments and correspondence with the Trustee. Upon receiving this Booklet, enter the case number in the space provided on the front cover.**
- 6. Remember your on-going case obligations.** You are responsible for providing the Bankruptcy Court with your current address. If your address or employment changes, you must inform the Trustee and your attorney immediately. You may also be obligated to provide copies of your annual tax returns to the Trustee. If so, copies of the returns should be provided to your attorney in a timely manner each year to avoid possible delay in plan completion. Keep track of any other obligations you have regarding your plan.
- 7. Certain obligations must be met in order to receive a discharge at the end of your case.** These obligations include completion of your plan payments; completion of an approved financial management course; and certification that you do not have a domestic support obligation or, if you do, that any domestic support obligations are current. In order to receive a discharge, you must comply with these requirements. You should consider taking the financial management course early in your case. You may take a free course offered by the Trustee, or your attorney may provide other options. (See page 12, Debtor Education).
- 8. Contact your attorney and the Trustee's Office before you buy, sell, pay off or trade vehicles or other property; if you incur insurance or other losses; or if you want to file a lawsuit or become involved in a legal proceeding.** Bankruptcy Court approvals must be received to obtain, dispose of property, or pursue a lawsuit.
- 9. Your plan term is an estimate. Your "plan base" is the minimum (lowest) amount that you must pay to complete your plan.** The total length of your plan term and plan base may vary based on a number of factors, including the timing of payments, missing payments, interest, insurance and allowed claim amounts.
- 10. Send letters to the Trustee at the correspondence address.** The Trustee's correspondence address is P.O. Box 5006, North Little Rock, AR 72119. **Do not send payments to the correspondence address or the Trustee's street address.**

TABLE OF CONTENTS

	Page
Introduction	1
Your Case Number	1
Your Attorney.....	1
Your Address	1
Calls to the Trustee’s Office.....	2
Payments.....	2
Payroll Deduction Orders	3
The Trustee’s Bank	4
Obligation to Pay.....	4
Failure to Pay.....	4
About Your Plan.....	5
Plan Length	5
Plan “Base”	5
Adequate Protection Payments	5
Business Chapter 13	6
Adjustments of Payments	6
Objections to Confirmation of Your Plan.....	6
Confirmation.....	6
Modification to Plans After Confirmation	7
Contacts by Creditors	7
Repeat Filings.....	7
Payments to Creditors.....	7
Claims of Creditors.....	7
Late Claims.....	8
Creditors Not Listed	8
How Creditors Are Paid.....	8
Mortgages Paid Inside the Plan	8
Collection Efforts Against Co-Debtors	9
Selling Property	9
Request for Dismissal by You.....	10
Completion of Plan.....	10
Stopping Payroll Deductions and Refund Policy	10
Credit Rating	10
Obtaining Credit	11
Lawsuit or Other Legal Proceedings.....	11
Disposable Income.....	11
Tax Refunds.....	11
Income Tax Information.....	11
Income Tax Returns.....	11
Annual Report of Plan Activity.....	12
Debtor Education	12
Domestic Support Obligations.....	12
Eligibility for Discharge.....	12
Discharge	12

WHAT YOU SHOULD KNOW ABOUT YOUR CHAPTER 13 CASE

INTRODUCTION. A Chapter 13 bankruptcy case allows an individual or married couple to reorganize debts. A Chapter 13 debtor proposes a plan of reorganization for a specific plan term and makes payments to the Chapter 13 Trustee. The Chapter 13 Trustee disburses the plan payments to the debtor's creditors. The debtor's bankruptcy filing and plan must conform to the guidelines of the United States Bankruptcy Code.

This Booklet is intended to provide general information regarding your Chapter 13 case and to familiarize you with procedures that will occur during your case. It is not intended to constitute legal advice and does not address every situation which may occur during your Chapter 13 case. The Trustee's office does not represent you or any other debtors. Any legal questions should be directed to your attorney.

YOUR CASE NUMBER. At the time your Chapter 13 petition was filed, the Bankruptcy Court assigned the case a number. This number is very important. You will need it whenever you call or write to the Trustee's office or when you make a payment to the Trustee. Please write your case number in the space provided on the front cover of this booklet.

YOUR ATTORNEY. Under the rules of the Bankruptcy Court, your attorney must continue to appear and represent you for as long as your case is active or until the Bankruptcy Court permits your attorney to withdraw from your case. If you have legal questions concerning your case, a creditor, your rights or your options, contact your attorney first. In many cases, your attorney will be paid his or her legal fee through your Chapter 13 plan. Be sure that you and your attorney have discussed fully whether additional legal services during your plan will cost more money, or whether the initial fee will cover all legal services. The attorney's fees are approved by the Bankruptcy Court. If you change attorneys during the life of your plan, please let the Trustee know the name and address of your new attorney. Any changes in fee arrangements that result from your change in attorneys should be approved by the Bankruptcy Court.

YOUR ADDRESS. The Trustee must have your correct mailing address for as long as you are in Chapter 13. All notices, letters, checks, etc., will be mailed to the address which you provided when filing your petition, until you or your attorney provides an alternate address. **If your mailing address changes, you must inform your attorney and the Trustee, in writing, of your new address.**

CALLS TO THE TRUSTEE'S OFFICE. The Chapter 13 Trustee's phone number is (501) 374-1572. For those who need it, we also have a toll-free number. It is (800) 339-1582. The office is open five days a week from 7:30 a.m. to 4:00 p.m. If you have a non-legal question which your attorney cannot answer, you may call the Trustee's office during those hours. Do not feel you must talk personally with the Trustee; the staff is familiar with the policies and guidelines in Chapter 13, and is well qualified to discuss with you any problems or questions that may arise. **The Trustee and his staff cannot give any legal advice. You should direct all legal questions to your attorney.**

PAYMENTS. You are responsible for making your Chapter 13 plan payments according to your plan. **The first payment is due 30 days from filing the petition.** The Bankruptcy Court has issued an Order to Pay Trustee requiring you to make your payments. Failure to make payments may result in consequences to your case, including dismissal. Your payments should reach the Trustee's office by the 22nd day of each month to allow timely and regular distribution to creditors.

There are five options for making your plan payments:

- a. **Payroll Deduction.** If you are employed and desire to have your plan payment payroll deducted and remitted by the employer, please send a request in writing by you personally or through your attorney. Provide the Trustee's office with the name and address of your employer, and frequency of pay. Make sure the address you provide is the address where the company payroll is processed, which may differ from where you physically perform your duties.
- b. **Online.** Use the ePay Internet site. From a computer, go to www.ch13ark.com and click on the "Pay Online" button and follow the instructions. The transaction fee is \$1.00. Payments made before 5:00 p.m. post to your case in 24 hours. Payments made after 5:00 p.m. post to your case in 48 hours.
- c. **By Phone.** Dial (877) 699-7365. Follow the instructions. The transaction fee is \$1.00. Payments made before 5:00 p.m. post to your case in 24 hours. Payments made after 5:00 p.m. post to your case in 48 hours.

For all online and phone payments, you must have a checking or savings account. Debit cards, credit cards or pre-paid cards are not accepted.

- d. **By Mail.** For mail payments, it is recommended that you make your payments by money order or cashier's check to avoid processing delays.

Make checks and money orders payable to:

Mark T. McCarty, Trustee

Mail your payments to:

Mark T. McCarty, Trustee

3554 Momentum Place

Chicago, IL 60689-5335

- e. **By Overnight Delivery.** When mailing payments overnight utilizing Federal Express or United Parcel Service, the above address **may not** be used. Overnight payments must be delivered to the address below. Please note the lockbox number must be included to ensure proper delivery.

Mail Overnight Payments to:

Fifth Third Bank

Attn: Lockbox 233554

4900 West 95th Street

Oak Lawn, IL 60453

When making a payment by mail, you should make sure your payment **clearly** includes:

Your Name

Your Address

Your Chapter 13 Case Number (found on the front cover of this Booklet)

Do not bring or send payments directly to the Trustee's office. Processing of your payment may be delayed if the payment is sent to the incorrect address. CASH PAYMENTS ARE NOT ACCEPTED.

Please note disbursements to creditors may be delayed when payments are made by personal check. Personal checks must clear the bank before funds can be disbursed, a process that can take up to 7 days.

The payment options should allow for your payments to be posted in the Trustee's office on a timely basis. **When sending payments by overnight delivery, note the Overnight Delivery Address in paragraph e.**

PAYROLL DEDUCTION ORDERS. At the time you filed your Chapter 13 petition, the Judge may have issued an order to your employer to deduct your plan payment from your paycheck and send it to the Chapter 13 Trustee. While you are under the protection of Chapter 13, this order **prohibits** your employer from honoring any garnishments, including back taxes, except ongoing child support, or as otherwise provided in the order. It is important that both you and your employer understand that such an order is NOT a garnishment.

A garnishment or attachment can come only from someone to whom you owe money, and you do not owe the Court or the Trustee any money. The Court is only carrying out its duty to administer the plan you voluntarily filed, and in which you gave the Court exclusive jurisdiction over your future pay as long as you are in a Chapter 13 plan. If your employer does not honor a wage attachment, let your attorney and the Trustee's office know immediately so that the appropriate action may be taken. If your employer has any questions, he or she may call our office for an explanation.

THE TRUSTEE'S BANK. The Trustee uses Fifth Third Bank, a bank that provides services to Chapter 13 Trustees. There are currently no Fifth Third Bank branches in Arkansas.

OBLIGATION TO PAY. Even though the Court will usually order your employer to deduct plan payments and send them to the Trustee, you must remember that you have the obligation to make sure payments are made. You will receive a copy of the order requiring payments soon after the plan has been filed. Regardless of when it is received, **the law requires that payments start within 30 days after the petition is filed.**

Note: It may take several weeks for your payroll deduction to become effective. In the meantime, be sure to make your regular payments directly to the Trustee. If your employer ever fails to make a payroll deduction, you must tell your attorney that the deduction was not made and you must send the needed plan payment to the Trustee by personal check, money order, cashier's check, pay online or pay by phone.

It is a good idea to keep your pay stubs to demonstrate that the deductions are being withheld. If there is ever any discrepancy in your payment history, you will have the complete records demonstrating all the deductions that were made. **PLEASE REMEMBER:** If you ever receive a regular paycheck in which the Trustee payment was not withheld, you should immediately mail the payment yourself.

FAILURE TO PAY. If the Trustee's office fails to receive payments on your Chapter 13 plan, the Trustee or a creditor will seek to have your case dismissed. **If you become unemployed, disabled, laid off, promoted, retired, or change employers, consult with your attorney at once. Your attorney may be able to counsel you on the best way to protect yourself during such time.** The Trustee will send notices or letters, and you will be advised, in writing, when the Trustee seeks to have your case dismissed. In the role of administrator of Chapter 13 cases, the Trustee bears the dual responsibility of looking out for the interests of both debtors and creditors alike. Thus, whenever a debtor is substantially delinquent in payments under the plan, the Trustee will review the case for dismissal.

ABOUT YOUR PLAN. At the time of your bankruptcy filing or shortly thereafter, you filed a Chapter 13 plan. The plan specifies the payments you are to make to your plan; the length of your plan, and the treatment to be afforded your creditors and other interested parties. For your plan to be effective, the plan must be confirmed (approved) by the Bankruptcy Court.

Depending upon your circumstances, your plan may address such things as secured claims for your home mortgage, arrearage amounts owed for your home mortgage, vehicles or other secured creditors, administrative claims for attorney's fees or for priority unsecured claims for taxes and domestic support obligations, and non-priority unsecured claims such as credit card debt, medical bills and other similar claims. Your plan may provide for the sale or surrender of property, retention or rejection of leases and executory contracts and payment of adequate protection payments to creditors.

It is the intent of the Trustee to pay your creditors as described in your plan. If a change needs to be made to the treatment of creditors or your payment amount, your plan generally will have to be modified by your attorney in order for the Trustee to make the changes. If you have questions regarding your plan or treatment of creditors, contact your attorney or the Trustee's office.

PLAN LENGTH. Generally, a plan cannot have a term of less than three years and cannot exceed a term of five years. The actual length depends on many factors such as the numbers and types of claims, the amounts of the claims, interest accruals for claims and the timeliness and frequency of plan payments. Your plan should not exceed 60 months, or five years. If your plan is going to exceed 60 months at the outset, the Trustee will object to confirmation of your plan. If during the pendency of a confirmed plan, it appears that a plan is going to exceed 60 months, the Trustee will file a Motion to Dismiss your case. Your attorney should be able to help you address any problems concerning the plan length. The Trustee recovers a percentage fee on Chapter 13 plan receipts in order to defray the costs of administration. By law, this fee must not exceed ten percent. This fee is authorized by the Bankruptcy Code.

PLAN "BASE". You may hear the term plan "base" discussed as part of your plan provisions. The Trustee views your plan "base" as the minimum amount you must pay to complete your plan. The Trustee uses your plan "base" to monitor your plan's progress. During the course of your plan, the plan "base" may be adjusted.

ADEQUATE PROTECTION PAYMENTS. Your plan may provide for pre-confirmation adequate protection payments to creditors, typically creditors with secured claims for vehicles or other personal property. The Trustee cannot make an adequate protection payment unless the creditor files a claim.

Some plans may provide for payment of adequate protection payments after confirmation. You should be aware of your plan provisions regarding adequate protection payments.

BUSINESS CHAPTER 13. A debtor engaged in business is subject to the same requirements as individuals with only personal debts. A “business debtor” is defined under the Bankruptcy Code and may have additional requirements to complete a business questionnaire and to file periodic operating reports and summaries of operations. Copies of the business questionnaire and operating reports may be obtained from the Trustee’s website, www.ch13ark.com. A business debtor should contact his or her attorney regarding questions about business debtor status.

ADJUSTMENTS OF PAYMENTS. The Trustee cannot adjust or excuse plan payments. It is extremely important you let your attorney know if you experience a significant change in your income or expenses which creates a hardship for you in making your plan payment. Your attorney can review your plan and provide you with options that may assist you in successfully completing your plan. It is equally important for you to report increases in income. The Trustee monitors for income increases and a Motion to Dismiss can be filed for failure to disclose such an increase.

OBJECTIONS TO CONFIRMATION OF YOUR PLAN. The Trustee, creditors or other interested parties may file an “Objection to Confirmation” of your plan. Objections to Confirmation are filed for many reasons, including such things as incorrect payment provisions, omitted creditors, provisions that are not consistent with the Bankruptcy Code, failure to file tax returns, insufficient payment or bad faith in filing or proposing a plan.

You and your attorney will receive a copy of the Objection to Confirmation and a notice of a hearing date from the Bankruptcy Court. Most objections are able to be resolved. You should contact your attorney regarding the objection and whether you will need to attend the court hearing. When an objection cannot be resolved, a court hearing may be necessary.

CONFIRMATION. After your First Meeting of Creditors is concluded, your plan may be eligible for confirmation. Confirmation means that your bankruptcy plan has been approved by the Bankruptcy Court. To be eligible for confirmation, at a minimum: (1) all objections to the plan should have been resolved; (2) all applicable tax returns should have been filed; (3) all domestic support obligations should be current; (4) Credit Counselling must be completed and a certificate filed with the Court; and (5) the filing fee should have been paid. If no objections to confirmation of your plan are filed or when all objections are resolved, the Trustee’s office will begin sending payments to your attorney and creditors pursuant to your plan.

MODIFICATION TO PLANS AFTER CONFIRMATION. You may modify your plan, as allowed by the Bankruptcy Code, after confirmation. Upon filing of the modified plan, you must follow the modified plan unless the Bankruptcy Court does not approve your plan.

CONTACT BY CREDITORS. The filing of your Chapter 13 case usually limits creditors' rights to contact you. Generally, an "automatic stay" became effective, at the time the petition was filed, that prohibits your creditors from attempting to collect debts or claims owing prior to your bankruptcy filing. If you get notices in the mail from your creditors, send them to your attorney. Delinquent notices need not cause any great concern; but if you get a more personal, direct contact from a creditor, such as a telephone call, a personal letter, a summons or a visit in person, you should immediately inform them that you are under Chapter 13 and give them your case number, the Trustee's name and address, and your attorney's name and address. By the same token, you should not contact your creditors. Be sure to tell your attorney the name of the person who contacted you.

REPEAT FILINGS. Repeated filing of cases may prohibit you from receiving protection from the automatic stay. Speak with your attorney about the automatic stay if needed.

PAYMENTS TO CREDITORS. Negotiating with a creditor to make payments outside of the Bankruptcy plan is prohibited. All debts owed must be disclosed and treatment should be provided by your Chapter 13 plan. Any payment made to a creditor directly that is not set out in the plan may well be illegal. All creditors must be paid under the authority of the Court, by the terms of the law, and not by any personal desires. Annually, the Trustee will mail a summary report to you and your attorney. This record lists the payments received by the Trustee and the balance owed to each creditor.

CLAIMS OF CREDITORS. While the creditors listed on your Chapter 13 petition are given the opportunity to file a claim for payment, they are generally allowed only 90 days from the Meeting of Creditors to file their claim. Approximately five months after your meeting of creditors, a complete list of every creditor who has filed a claim in your case and the amount which they claim you owe them will be sent to you. **Read and examine this list, called a "Summary Notice of Claims Filed," very carefully.** If a creditor is listed incorrectly or any amount claimed does not appear correct, contact your attorney at once. Unless your attorney objects to a claim, the amount the creditor requests, not the amount listed on your petition, will be paid. If a creditor does not file a claim within the time allowed, and you want that creditor paid in your Chapter 13 case; please contact your attorney regarding whether a claim can be filed.

LATE CLAIMS. As noted on the previous page, creditors have 90 days after the Meeting of Creditors to file their claims for payment. Tax claims are an exception to this limit. Sometimes a creditor will file after the time limit. The Trustee will assume that you want that creditor paid and will enter with the Court a “Notice of Additional Claims” to be paid under your Chapter 13 plan. If you do not want to pay the claim, contact your attorney, who must object to its payment as any claim allowed will be paid. Unless you object to such a claim, the Trustee will pay the claim, even if it was filed late.

CREDITORS NOT LISTED. Creditors not listed by you when you filed can cause quite a few problems. There are two kinds of unlisted creditors: those you owed money to when you filed and forgot to list, are referred to as “unlisted creditors,” and those creditors with whom a debt incurred after you filed, are referred to as “post-petition creditors.” If you discover an unlisted creditor, one you owed but forgot to list, contact your attorney regarding the details immediately. Your attorney can include this creditor in your plan and protect you. Post-petition creditors are rare because, except in emergency situations, you should incur no post-petition debt without the express prior approval of the Bankruptcy Court. Post-petition debts should be brought to the attention of your attorney so a review of your plan can be made. Should subsequent debts be added to your plan, a formal modification of your plan may be required which may call for an adjustment in your payment.

HOW CREDITORS ARE PAID. The money which you pay to the Trustee is used to pay all expenses, including any attorney fees to be paid through the plan, and your creditors. The Trustee makes disbursements on a monthly basis.

There are four basic types of claims: (1) administrative, (2) secured, (3) priority, and (4) unsecured. Generally, administrative costs and at least part of your attorney’s fees are paid first; then creditors with liens on your property (secured claims); then other priority claims such as taxes; and then the remaining creditors. (unsecured claims).

Since unsecured creditors are usually paid only after administrative, secured, and priority claims have been paid; it is often many months before payments to unsecured creditors commence.

MORTGAGES PAID INSIDE THE PLAN. If your mortgage is being paid by the Trustee, inside the Chapter 13 plan, it is extremely important for you to inform the Trustee’s office about any changes to your mortgage. Notices from your mortgage company indicating any changes to your mortgage should immediately be reported to your attorney and the Trustee’s office. This includes payment changes due to escrow, and any notification that your account has been sold or is being serviced by a

new mortgage company. This is extremely important since the Trustee's office is making your mortgage payments through the Chapter 13 plan. If the Trustee's office is not notified of all changes, the payments could be sent to the wrong place. The mortgage company is also responsible for sending all changes to the Trustee, but we are not always notified.

If you are notified of a change in the company servicing your mortgage, the Trustee's office needs to know the name and address of the new company, the new account number, and the new payment amount if it has changed. If you are notified of changes by letter, simply write your case number on the letter and forward it to the Trustee's office. If we receive notice that the mortgage amount has changed, a "Notice of Change" will be sent to you and your attorney. If you dispute the change, written action must be taken. The necessary changes can then be made to insure payments are being disbursed correctly. You can also call the Trustee's office at the phone number listed on the front of this booklet and notify us anytime you are made aware of changes to your mortgage.

Also, if you are paying a claim through the Trustee's office that is secured by your home, the Trustee will send a "Notice of Final Cure" to your home mortgage creditor indicating that the claim and any arrearage amount has been paid at the time your plan is completed. The creditor has a period of time in which to respond. If the creditor disagrees or files no response, a "Motion to Determine Final Cure" will be filed with the Bankruptcy Court. During the time that the mortgage claim issues are being resolved, you should continue to make your plan payments. Completion of your plan may be delayed until any mortgage claim issues are resolved.

COLLECTION EFFORTS AGAINST CO-DEBTORS. A cosigner, comaker or guarantor on any of your consumer debts is generally protected from contact by the creditor as long as you remain under Chapter 13. This automatic protection applies only in Chapter 13 cases. If the cosigner, comaker or guarantor has given collateral for the loan, the creditor must request a hearing before the Judge in order to proceed against the property. This codebtor protection will only protect cosigners, comakers or guarantors for the amount of debt your plan proposes to pay. If your plan is not scheduled to pay the creditors in full, a creditor may obtain permission to collect from the cosigner, comaker or guarantor the percentage of the debt that your plan is not going to pay.

SELLING PROPERTY. Disposing of any of your property, including land, without Court approval is not allowed. If you sell any of your property for a profit, the Court must approve any disbursement of the proceeds. Some or all of it may have to be applied to your Chapter 13 debts. If you dispose of your property without permission, the transaction may be set aside and your plan could be dismissed.

Consult your attorney prior to selling any property.

REQUEST FOR DISMISSAL BY YOU. Federal bankruptcy law generally allows you to request that your Chapter 13 case be dismissed at any time. No one can force you to remain under a Chapter 13 plan if you do not wish to continue. If you desire to stop your case, contact your attorney. You should understand that a dismissal will reactivate all unpaid or disputed debts, all interest, finance charges, all late charges not allowed by the Court and all debts of creditors who did not file their claims.

You also may have the option to convert your case to another chapter, such as Chapter 7, a liquidation proceeding. You should discuss the applicability of this option with your attorney.

COMPLETION OF PLAN. You should monitor your case throughout your plan term to ensure the plan will be completed. The fastest way to complete your plan is by making regular payments. Upon completion of payments, the Trustee files a "Certification of Final Payment" with the Court. The Certification of Final Payment includes a form that will need to be completed and filed with the Court regarding domestic support obligations.

The Trustee will audit your plan progress periodically. If your plan will not complete during the plan term, the Trustee may file a motion to dismiss your case. You will need to consult with your attorney regarding completion of your plan or other options.

STOPPING PAYROLL DEDUCTIONS AND REFUND POLICY. The Trustee will not cease a payroll deduction prior to case completion unless authorized by your attorney in writing. It is the Trustee's policy to cease payroll deductions as quickly as possible when a plan is completed. The Trustee monitors cases that appear to be nearing completion, and performs a series of audits to ensure that plan terms and bankruptcy requirements have been satisfied. When it has been determined a plan is complete, an order is issued to direct the employer to stop withholding from your paycheck. Occasionally, the employer withholds an additional payment before the order is received and processed. Any additional payments received will automatically be returned to you in full, without deduction of the normal Trustee fee.

CREDIT RATING. Your credit rating during and after completion of Chapter 13 will be as it is now and was in the past, the personal opinion of any credit grantor who looks at your record. A credit rating is a record of your past credit performances. This record is made available to credit grantors who make decisions by their own standards as to whether or not they want to grant credit to you. Credit agencies may reflect your bankruptcy case on your credit report for a number of years.

OBTAINING CREDIT. You are required to notify and gain approval of the Bankruptcy Court prior to obtaining credit during your bankruptcy case. If you need to obtain credit for a major purchase (including a vehicle) during your bankruptcy case, you should contact your attorney.

LAWSUIT OR OTHER LEGAL PROCEEDINGS. If you institute legal action or become involved in a legal proceeding during your bankruptcy case, you should contact your attorney. If you have counsel for the lawsuit, the counsel and payment of the counsel will need to be approved by the Bankruptcy Court. Any settlements of legal proceedings also will need Court approval. Funds received from lawsuits may need to be committed to your plan.

DISPOSABLE INCOME. If you obtain additional income while in bankruptcy, you should contact your attorney. You are required to submit all of your disposable income to the supervision and control of the Trustee unless you propose to pay all debts in full. If you should obtain additional income while in bankruptcy, part of those funds may need to be turned over to the Trustee for disbursement to your creditors pursuant to the provisions of your bankruptcy plan. The additional income could be a raise in wages from your employer or a tax refund from the I.R.S., sales proceeds, collection of lump sum amounts, an inheritance, or funds from a lawsuit, such as a personal injury settlement. **CONTACT YOUR ATTORNEY PRIOR TO SPENDING ADDITIONAL INCOME.**

TAX REFUNDS. Your plan may obligate you to pay all or a portion of any tax refunds that you receive during your case to the Trustee. If required to do so, you should remit the funds in a timely manner.

INCOME TAX INFORMATION. The Trustee's office is not in a position to advise you on how to file your income tax return, or the amount of interest paid, but we will, upon request, provide you with a copy of your report which lists the names of the creditors that received disbursements. Normally, creditors we paid interest to will send you a statement of how much interest was paid to them on your behalf.

INCOME TAX RETURNS. At least seven days prior to the first meeting of creditors, a debtor, through his or her attorney, is obligated to provide a copy of the tax return for the year most recently ended to the Trustee. Additionally, the debtor is required to provide proof of filing of all tax returns for the four years prior to the bankruptcy filing. The Trustee requires "proof" in the form of copies of IRS Transcripts or copies of your tax returns for all four years. If you were not obligated to file tax returns, an affidavit may be provided. If you do not provide the tax returns or transcripts as required, your meeting may be continued to another date or your case may be subject to the filing of a Motion to Dismiss.

Currently, the Internal Revenue Service, Special Procedures Section, must process all federal tax returns filed by a debtor under Chapter 13.

This often results in a substantial delay in tax refunds being issued. They must do this to avoid accidentally issuing notices in violation of the automatic restraining order. To be certain that you receive any refund in a timely manner, you should file your tax return as early as possible.

ANNUAL REPORT OF PLAN ACTIVITY. Once a year, you and your attorney will receive from the Trustee a Chapter 13 Summary Report which includes all the financial activity on your case during the previous year. This report will itemize all payments the Trustee has received from you as well as the balances owed to your creditors. You should review the Summary Report when you receive it so you can make sure payments are being disbursed as you understand your plan terms. You also may monitor your payments online through www.ch13ark.com. If you have any questions regarding this report, please contact your attorney.

DEBTOR EDUCATION. Prior to receiving a discharge, each debtor must complete a financial management course. Your Trustee offers a free course entitled “Finally Financial Freedom.” Log in to www.ch13ark.com. Participants in the course must enter the Trustee’s Identifier Number which is as follows: TEN13020. You also have the option to attend a course through another provider. Your attorney or the Trustee can direct you to a course. A certificate must be filed with the Court prior to a discharge being issued.

DOMESTIC SUPPORT OBLIGATIONS. Upon the completion of your plan payments, you will receive a “Debtor’s Certification Regarding Domestic Support Obligation Pursuant to 11 U.S.C. § 1328(a).” **You must complete this form and submit to your attorney for filing with the Bankruptcy Court even if you have never had a domestic support obligation.** If you had a domestic support obligation at the time you filed your case or become obligated to pay a domestic support obligation during your case, you are required to certify that all domestic support payments are current prior to the Court issuing a discharge. If you have never had a domestic support obligation, you must certify that fact for the Court. **If you do not submit this form, your case may be subject to closing without a discharge.**

ELIGIBILITY FOR DISCHARGE. In certain instances, a debtor may not be eligible for a Chapter 13 discharge. If a debtor received a discharge in a Chapter 7, 11 or 12 case during the four year period prior to filing the Chapter 13 case, the debtor may not be eligible for a discharge.

DISCHARGE. When you have successfully completed your plan payments, you will receive notice from the Court which finally will “discharge” you from your case. This discharge also acts as an injunction against your creditors, prohibiting them from taking unauthorized action against you after your case is ended. **Save a copy of your Discharge Order in case you need it in the future.**

INFORMATION RELATING TO YOUR CHAPTER 13 BANKRUPTCY CASE WILL BE MADE AVAILABLE ON THE INTERNET TO YOUR CREDITORS AND OTHER PARTIES IN INTEREST.

Pursuant to 11 U.S.C. section 1302(b)(1) and 704(7), your Chapter 13 Trustee has a duty, unless otherwise ordered by the Bankruptcy Court, to furnish information concerning the administration of your bankruptcy case as is requested by parties in interest. In furtherance of this duty, the Chapter 13 Trustee will make the following information available to parties in interest who request such information:

Your name, address, bankruptcy case number, state and district in which your case is pending, and the Chapter 13 Trustee assigned to your case.

Your social security number may not be visible to parties in interest, but they will be able to search for your bankruptcy case using your social security number.

Information regarding claims filed against your bankruptcy case including the identity of the claimant, the type of claims (e.g., priority taxes, secured, unsecured, etc.), a history of all payments you make to the Trustee and disbursements by the Chapter 13 Trustee in your bankruptcy case including the payee, date and amount of each payment. You may review, without charge, the information about your Chapter 13 bankruptcy case that is posted on the internet. If you believe the information about your bankruptcy case is inaccurate, you can contact the Trustee's Office to report the error.

The address where your information is posted is
<http://www.13network.com>.

STANDING TRUSTEE PLEDGE OF EXCELLENCE

The Standing Trustee is committed to excellence and to providing a high level of trust and service to Chapter 13 debtors and creditors. Creditors, debtors, attorneys, judges and others who come into contact with the Standing Trustee are entitled to service which adheres to the highest standards of professional, moral and ethical conduct.

1. The Trustee's office should be open and operating Monday through Friday during regular business hours.
2. The Trustee should have a system in place to promptly respond in a meaningful manner to inquiries from debtors, creditors, attorneys, and other interested parties.
3. If the Trustee is not personally available, the Trustee should have competent staff available to assist or to respond to inquiries.
4. The Trustee should work to ensure that debtors comply with their obligations under the Bankruptcy Code and Rules.
5. The Trustee should work to ensure that debtors comply with the provisions of their plan and should take appropriate action if the debtor fails to commence plan payments when required or if there is a subsequent default in plan performance.
6. The Trustee should maintain a system which efficiently tracks the progress and the receipts and disbursements in every Chapter 13 case, from the time it is filed until the case is closed.
7. The Trustee should have a system to timely and accurately record all receipts and disbursements on the appropriate debtor ledger.
8. The Trustee should disburse plan payments to creditors on a monthly basis, and should have procedures in place to properly classify and pay creditors' claims and to detect and recover any erroneous payments.
9. The Trustee should ensure that all trust account ledgers and accounts are balanced on a monthly basis and should have a procedure to regularly review all cases with significantly large balances on hand or other fund irregularities.
10. The Trustee should maintain a reasonably comprehensive system of internal controls over accounting and office operations, both paper and electronic, to safeguard estate assets and trust funds.

Your Attorney:

Name _____

Address _____

Phone _____ Fax _____

Email _____

Date Your Case was Filed: _____

Priority Insurance Agency, Inc.:

**Priority Insurance Agency, Inc.
P.O. Box 5849
North Little Rock, AR 72119**

**Phone: (501) 244-2288
(866) 283-0585**

Fax: (501) 244-9851

Email: jsanders@priorityins.com

Remember: Priority Insurance is the Chapter 13 Insurance Program for consumer vehicles. Priority Insurance provides collateral protection insurance only – no liability insurance.