

petition. It is called the "meeting of creditors", although creditors do not always go. And, in some cases you may have to go to another hearing.

Does it matter if I have been sued?

No. In most cases, even if you have been sued and the other side has won, that debt ("judgment") can be discharged (cancelled). This is true even if a wage garnishment/attachment has started.

What happens to a loan co-signer?

Co-signers are as responsible as you are for the payment of those loans. If you discharge your debt through bankruptcy, the creditor has the legal right to demand that your co-signer pay the bill.

Do I need a lawyer to help me?

Filing for bankruptcy is very complicated to do by yourself. See below for help.

Where can I go for more information?

- **Statewide Legal Services** for bankruptcy and other consumer advice and information. 1-800-453-3320.
- **Consumer Law Project for Elders** for free legal assistance to seniors 60 and over. 1-800-296-1467.
- **Fairfield & New Haven County Residents:** Free (pro bono) representation may be available through the U.S. Bankruptcy Court. Contact the Clerk's Office shown below and ask for an application for the pro bono panel. (Or visit www.ctb.uscourts.gov).

New Haven county:

157 Church Street, New Haven. Tel: 203-773-2009.

Fairfield county:

915 Lafayette Blvd, Bridgeport. Tel: 203-579-5808.

Legal Services Offices

Statewide Legal Services: Entry point for the legal services network in CT. **860-344-0380** Central CT or **1-800-453-3320**.

Other Legal Services Programs:

Consumer Law Project for Elders: 1-800-296-1467 provides free legal assistance to seniors 60 and over throughout CT who have consumer questions.

Hartford, Hartford County:

Greater Hartford Legal Aid

999 Asylum Avenue

Hartford, CT 06105

(860) 541-5000

FAX: (860) 541-5050

Greater New Haven Area:

New Haven Legal Assistance Association, Inc.

426 State Street

New Haven, CT 06510

(203) 946-4811

TDD: (203) 946-4811

FAX: (203) 498-9271

Throughout Connecticut:

Connecticut Legal Services:

Offices:

211 State Street

Bridgeport, CT 06604

(203) 336-3851

16 Main Street

New Britain, CT 06051

(860) 225-8678

153 Williams Street

New London, CT 06320

(860) 447-0323

20 Summer Street

Stamford, CT 06901

(203) 348-9216

85 Central Avenue

Waterbury, CT 06702

(203) 756-8074

872 Main Street

Willimantic, CT 06226

(860) 456-1761

AIDS Legal Network for CT

999 Asylum Avenue

Hartford, CT 06105

(860) 541-5027 or 1-888-380-3646

This pamphlet was produced by the Legal Assistance Resource Center of CT in cooperation with Connecticut Legal Services, Greater Hartford Legal Aid, New Haven Legal Assistance Association, and Statewide Legal Services.

The information in this pamphlet is based on laws in CT as of December 2009. We hope that the information is helpful. It is not intended as legal advice for an individual situation. If you need further help and have not done so already, please call Statewide Legal Services (see above) or contact an attorney.

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(no changes from 10/2008)

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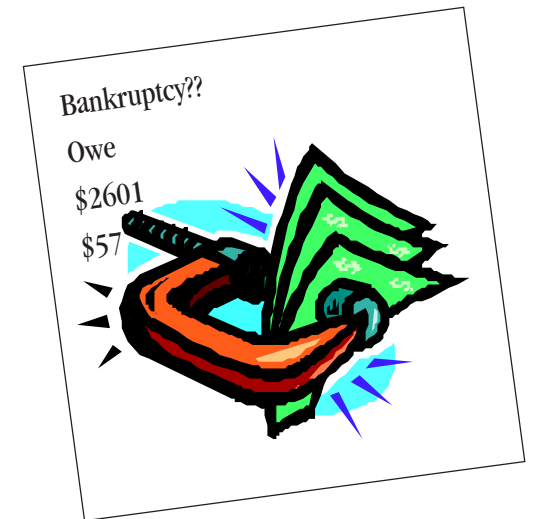
www.nhlegal.org

www.connlegalservices.org

www.larcc.org



A Guide to Bankruptcy



December 2009

What is bankruptcy?

Bankruptcy is a legal process that may help you if you have more debts than you can pay. To begin the bankruptcy process, you file legal papers (called a petition) with the Bankruptcy Court. You must list all your debts and property on the petition. After you file for bankruptcy, your creditors cannot try to collect from you directly, but they must take any claims they have against you to the Bankruptcy Court.



YOU CAN STILL FILE FOR BANKRUPTCY. In October of 2005, new bankruptcy rules were added, including:

Almost everyone must complete credit and debt counseling both before and after filing for bankruptcy.

There are fees for both this counseling, but people with low income may get them waived. The counseling can take place over the phone.

Do not sign up for any counseling until you have talked to an attorney about whether bankruptcy is the best choice for you.

How can bankruptcy help me?

Bankruptcy may make it possible to:

- Give you a fresh financial start by "discharging" (that is, wiping out or erasing) **certain** debts. This means you are not legally required to pay those debts. (See what debts can be "discharged").
- Stop most wage attachments from your pay. (A wage attachment is when a creditor gets a court order allowing money to be taken from your pay to repay the debt.)
- Stop creditors and debt collectors from harassing or bothering you.

- Let you keep any future wages, money you receive, or property you buy. This means that creditors whose debts were discharged cannot come after you for the old debts.

Note: Alimony and child support debts have different rules. For more information, call Statewide Legal Services at 1-800-453-3320.

What debts CAN be "discharged"?

Bankruptcy can discharge most debts that are "**unsecured**". Debts are either "*secured*" or "*unsecured*".

Unsecured debts have no property for the creditor to repossess (take back). Examples of unsecured debts include most **credit card debt** and **medical bills**.

Secured debts usually are tied to a piece of property. (For example, your **car loan** or **home mortgage**.) If you stop making payments, the lender can repossess the property.

What debts CANNOT be "discharged"?

Bankruptcy cannot fix all financial problems. Some debts cannot be discharged, including:

- ✗ Alimony and child support.
- ✗ Student loans (unless you can prove "extreme economic hardship").
- ✗ Recent tax bills.
- ✗ Secured debts (*explained above*).
- ✗ Debts that build up after you file for bankruptcy.
- ✗ Debts resulting from fraud (for example not being truthful on a credit application) or if you are not truthful with the court itself.

What property can I keep?

You are allowed to keep enough property for you to make a fresh start after bankruptcy. You can keep most of your household furnishings (furniture, dishes, etc.), some jewelry, your clothing, and tools you use for work. Currently, you may keep \$20,200 to \$75,000 in equity in your house and at least \$10,775 in property (including cash). The exact amounts will depend on whether you choose protection under *Connecticut* or *Federal* bankruptcy law.

Can I keep my car?

Most people who file for bankruptcy can keep their car. It depends on how much the car is worth and whether you still owe money on it.

How will bankruptcy affect my credit rating?

Most people who file for bankruptcy are already in trouble with a number of creditors, and therefore usually have a poor credit rating. Bankruptcy will not make those credit problems any worse but will not make them go away. Bankruptcy will be listed on your credit history for 10 years. You can be granted credit after filing a bankruptcy, but the decision to give you credit is up to the individual lender.

Will it cost me money to file for bankruptcy?

Yes. The fee is around \$300. Some people with low income can now get this fee waived; that is, not charge you to file for bankruptcy. If you cannot get the fee waived, you may be able to pay it in installments.

Do I have to go to any hearings?

Yes, there is one very short hearing that you must attend which takes place soon after you have filed your