

# Bankruptcy Counseling Client Information

## Purpose of Counseling

Counseling is provided to help the client assess his/her financial assets and liabilities and determine an appropriate course of action to discharge debt. A minimum of two hours of counseling is required. Options that will be discussed with the client include:

- ▶ Self-administered payment plan, in which the client develops a payment schedule for discharging debt without additional services or supervision.
- ▶ Debt management service in which the client is referred to a debt management organization. In this case the debt management service will develop and propose a payment plan to the client wherein the client makes scheduled payments to the debt management organization and the organization makes payment to the client's creditors.
- ▶ Bankruptcy in which the client files legal action for discharge of all or a portion of his/her debts under the supervision of a Bankruptcy Court. If this course of action is selected by the client, a certificate will be provided to the attorney selected by the client as evidence that counseling has been completed.

## Preparing for the Counseling Session

The client can expedite the counseling tasks, avoid a follow-up session and reduce fees by bringing these document to the initial session:

- Current checking, savings, money market account statements
- Current investment statements including savings bonds, stocks, bonds, mutual funds, retirement funds, life insurance cash value, certificates of deposit, IRAs, annuities, 401-K, 403-B, 457 plans or other investments
- List of personal assets with estimate of market value including home, other real estate, automobiles, recreational vehicles, boats, home furnishings, collections, jewelry or other items of value
- List of unpaid bills with name, address and phone of creditors including amount of initial loan, current balance, interest rate, monthly payment, number of payments remaining, number of months delinquent and whether a judgement has been issued
- Evidence of monthly household income including pay check enclosures or stubs
- List of monthly household expenditures and periodic expenses including cost of housing, utilities, family support (including child support or alimony), insurance, transportation, food household maintenance, personal expenses and entertainment

## Registration and Fees

- Participants are required to pre-register for counseling by contacting

Insert local educator contact information

- Our bankruptcy counseling sessions are two-hour sessions. The fee is \$50. Fees are payable in cash or money order. Payment is required at the time of counseling.
- **You will need to bring proof of identification (photo ID) with you to the counseling session.**

## Your Instructor

- Your counselor is an experienced Extension professional with a minimum of a Bachelor's Degree in Family & Consumer Science. She/he has been specifically trained to conduct bankruptcy counseling by

- The University of Tennessee Extension.
- The University of Tennessee Extension is approved to issue certificates evidencing completion of bankruptcy counseling in compliance with the Bankruptcy Code. Approval does not endorse or assure the quality of a Provider's services.

### **Other Information**

- Upon completion of the counseling session, The University of Tennessee Extension will provide a certificate of course completion to you or to your lawyer, either in person, by email or by U.S. mail. This certificate will verify that you have completed at least two hours of counseling.
  - The University of Tennessee Extension does not pay or receive fees or other consideration for the referral of debtor students to its courses. Counseling services are funded by The University of Tennessee Extension and by client fees.
  - Counseling services are offered to clients without regard to their ability to pay.
  - Credit counseling in itself is not reported to the credit reporting agencies. As a result, there is no impact on your credit report for obtaining credit counseling. On the other hand, your credit report may be negatively impacted by any number of solutions attempted to remedy your current financial condition.
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Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development.  
University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating.  
UT Extension provides equal opportunities in programs and employment.