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The 3 Most Important Questions To Ask Your Bankruptcy Attorney

Get the answers before hiring an Attorney

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Your Chapter 7 Bankruptcy Attorney

If you're considering filing for Chapter 7 bankruptcy there are going to be questions that any competent bankruptcy attorney is going to ask you. They'll want to know about your income, your assets, your debts, etc.

But there are 3 very important questions you need to ask any attorney before you actually hire one to handle your bankruptcy.

Believe it or not, they don't have anything to do with the process and they're not legal questions either. But these 3 simple questions can mean the difference between getting relief and getting more grief.

Let's get right to them.

Question 1: Do you charge a Flat Fee?

Bankruptcy is a fairly straightforward process.

There are questions to answer, documentation to provide (things like pay stubs, bank statements, mortgage documents, etc.) so your petition can be prepared; you must also complete two approved credit counseling courses and a “**section 341 meeting**” is held. This is a meeting where your creditors are given the opportunity to question your petition. This meeting is overseen by a Bankruptcy Trustee who is there to represent your creditors.

This is NOT a trial, not a real trial or even the kind you may have seen on TV. It involves the Trustee asking some questions. (The Trustee gets a percentage of any money they can recover *from you*, so they have an interest in finding it.) Usually, if your petition has been prepared well, there aren't many questions that the Trustee will bother asking since it's not worth their time. Most have a list of standard questions that they ask everyone and your attorney should be able to let you know what they are beforehand.

The point here is that a Chapter 7 Bankruptcy is not like defending someone accused of murder. In fact, it's not even like going to court for a traffic ticket.

Any attorney who knows what they're doing should be able to tell you how much time it will take and how much it's going to cost and will charge you an appropriate fee.

The thing to watch for is when an attorney (or their secretary) tells you their fees "**START**" at such and such.

This should be a clue that they're going to add costs.

Some attorneys charge for making telephone calls; they charge for each **reaffirmation agreement**; they charge for sending letters; they charge for too many creditors on your petition, and on and on. If your attorney charges these additional fees, your bill could end up being way more than you originally expected.

Also ask if that price includes the filing fee that gets paid to the court.

As of the writing of this article, the filing fee is \$306.00 and since Bankruptcy is overseen by Federal Courts, this fee is the same everywhere in the U.S.

A **reaffirmation agreement** is an agreement you sign that states that you agree not to discharge a particular debt you have in your bankruptcy. You are keeping that debt and agree to continue making payments on it (a house or an automobile are common examples). If you stop making payments on something you signed a reaffirmation agreement for, the creditor **can** come after you, even after you've filed bankruptcy and gotten a discharge.

Question 2: What's included in that Flat Fee?

This is similar to Question 1 but it makes sure you've got everything covered and reduces the risk of "surprises".

Some attorneys will charge a flat fee for preparing the petition and attending the section 341 meeting, but the fee doesn't cover reaffirmation agreements, following up with creditors to make sure the release garnishments, etc.

There are rare occasions when a bankruptcy leads to a court case and this is usually not a part of the fee charged for a bankruptcy. A flat fee will usually cover everything up thru your petition being filed and your section 341 meeting.

Sometimes a trustee will adjourn the meeting to a later date if they want clarification or if they want to see some specific documents that weren't included with the petition.

A good attorney will have an idea if there are things the trustee might have issues with and advise you beforehand.

If the adjournment was for some unexpected reason or on the rare occasion that your attorney has forgotten something, they should expect to cover that meeting at no additional cost to you.

If, however, a 341 meeting is adjourned because of something you caused, you should expect to pay extra for that second meeting.

It's important to understand that you share a responsibility in the way your bankruptcy proceeds. If you aren't forthcoming with *all* of your assets or you try to sneak something past the Trustee and your attorney, that's on you.

Bankruptcy offers you a way out from under debt and honesty is the best policy.

Sometimes clients miss their section 341 meetings without bothering to notify their attorney. If that happens, expect to pay additional to cover your attorney's time for attending another meeting.

Question 3: How long will it take to file my petition?

This is one of those, “It Depends” answers.

First, you need to understand if an attorney files your petition before they’ve been paid their full fee; it gets discharged in the bankruptcy. So you should expect that your attorney won’t begin until you have paid them in full.

You can usually arrange to pay your \$306.00 (as of this writing) filing fee in installments. Understand that failing to pay the full fee will eventually result in your bankruptcy being dismissed and you’re back to owing your creditors.

However, once you’ve paid your attorney’s fee the only thing that would prevent your petition from being prepared and filed, is how quickly you can provide all of the documents your attorney needs.

A good attorney will provide a questionnaire and a document checklist that lists every piece of information needed to prepare your petition when you meet for your initial consultation.

Start getting that information together right away after your consultation.

You also have to complete the first required credit counseling program before the petition can be filed. There are several accredited programs that your attorney should be aware of and can advise you on the lowest cost to complete. Prices vary and there are different options available that can be done either online, over the phone, or in person.

If you are facing garnishments already and need them stopped quickly; an attorney can prepare what is referred to as a “Skeleton” petition that serves as a stopgap until your full petition can be prepared and filed. Be advised that this means your attorney will, essentially be preparing 2 separate filings (one *right* now and another,

with full schedules and other required documents later) and should, understandably, cost a premium in addition to the normal fee. Also, the remaining information must be filed within 2 weeks after the original filing date, so you will need to have that information to your attorney quickly to give time to complete and file the documents.

Armed with these 3 questions, you stand a much better chance of finding a responsible attorney who will do a good job moving you through this process quickly and as painlessly as possible.

The goal of filing Bankruptcy is to give you a fresh start or a second chance. It still requires work on your part. Participate in the process, follow your attorney's instructions and learn from the experience.

The end result is worth the effort and most people usually come out of it with a new viewpoint on debt and credit.