

\$499 Bankruptcy – Is that for real???

\$499, \$899, low price, or free bankruptcy advice were a few of the advertisements I saw while searching bankruptcy terms today on Google. Most of these ads were appearing in the Google AdWords section so someone was paying money to get this message out. It also happened that a chat board of attorney were talking about one of these new ads in their area where the attorney was offering \$499 for the bankruptcy. The response from the attorneys was pretty much shock. How can someone actually do a case for so little? Is this for real or is it some sort of bait and switch? What is really going on?

This price issue was also on my mind because I get frequent calls where the person just asks “what’s the cost?” It is like they are certain bankruptcy is the correct step and they just want to know who will file it for the lowest fee. When dealing with your credit, finances and future do you really just want the “cheapest” attorney? If you needed medical treatment would you call doctors and hospitals and ask for a price quote and go with the lowest or do experience, service and skills matter?

Yes I do think you should shop around for attorneys and price is part of that. The most important part though is finding an attorney that knows how to get the job done right, someone that communicates and works well with you, not just the lowest dollar amount. Each case is different and the price should reflect the amount of time the attorney will spend on the case, the attorney’s experience and the service they provide to you. You don’t want your case filed incorrectly, having it get dismissed and not having your attorney call you back.

What attorneys charge is not a secret. Bankruptcy records require full disclosure and that includes what the attorney charges. Attorneys check on cases and look at what fees the competition actually charge. If the fees are too far out of the range the attorney won’t get business or the fee could become an issue during the case. In the last 8 years I haven’t yet seen a consistent \$499 in all of the filings of any one attorney. I see a few that might be free for a family member or friend but most are within a few hundred dollars of each other.

Today I called 3 of the advertisements that were quoting \$499, \$499 and \$599. In each case I was only able to talk to the receptionist, office manager or sales person, not to the attorney. All they wanted was money now. Could I borrow it from family, could a family member but it on a credit card? No one seemed to care about me or what I needed. They didn’t even know if bankruptcy was an option for me, if I’d ever filed before or what chapter I needed. As I spent more time on the phone I got a little more information like “this was the fee to start the case”, that filing fees weren’t included, that you needed to pay for credit reports, credit counseling services, service fees, document preparation fees, copy fees and even one had an extra charge for the attorney to go with you to the meeting of creditors. When you add these fees together the case surely isn’t \$499 (especially with the \$299 filing fee) and you aren’t getting the service you need.

If you aren’t getting the service from the attorney, if they aren’t meeting with you and talking about your situation, if they aren’t completing all of the forms, gathering the documentation and applying the correct exemptions then what are you paying for? If all you are after is the forms to file you can get

those for free on the courts website. If you are paying someone to just type your information on the forms and not provide any legal help then maybe that is causing some of your financial problems. Meet with your attorney, make sure you work well together because filing for bankruptcy requires participation from both sides. Get the fees in writing and also details about what services will be provided. You can also ask to see what the attorney has charged other clients. Since all of the information is public record the attorney should be able to show you examples of them only charging \$499. If something confidential was on the form like a social security number it could be blacked out but that information isn't on my disclosure forms anyway and almost all attorneys use the same forms. In bankruptcy there are no secrets. It's full disclosure in exchange for discharge or modification of your debts.

Make sure you know what you are paying for. Don't fall for the bait and switch that sometimes happens. You know how you see the advertisement for the 50" LCD TV for \$399 but then you show up to get it with lots of other people only to find out that they are sold out (who knows if they even ever had one) and the next best option is the 46" for \$599 from an off brand company. Don't walk in then have the price jumped up on you.

The more time you have to plan your bankruptcy and meet with attorneys the more successful your case and financial recovery can be. If you are reading articles like this then you are already doing the right research. Just keep it up and get the right help that you'll need.