

Post-Bankruptcy Filing Debtor Education

Chapter 13 bankruptcy is also known as the “wage earner bankruptcy.” It lets an individual to keep property such as a house, and repay debts over an allotted period of time, such as three to five years. [Chapter 7 bankruptcy](#) is for those who do not have many assets they want to keep. After filing a bankruptcy petition, the law imposes an “automatic stay” on debt collections which applies to all of the debtor’s creditors. The automatic stay stops creditors from taking any collection actions such as lawsuits, demand letters, or foreclosure proceedings against the debtors during the pendency of the bankruptcy case.

This means that after you file your bankruptcy petition, creditors cannot do anything to collect on your debts. While it may be sad for a creditor not to get paid, especially someone who has done independent contractor work for you, not paid his/her wages, any creditor that continues with collection actions after the bankruptcy petition is filed may be in violation of federal law and subject to penalties.

In order to accomplish the purpose of the bankruptcy filing, to get rid of prior debts, you have to follow court rules to get to discharge. After filing a petition, you will be required to go to a 341 hearing. In a chapter 13, you will need your repayment plan confirmed, and then repay creditors according to the plan.

You need to attend all the required financial courses that are meant to teach you about money management so you do not get into debt again. After a trustee in a bankruptcy case concludes a debtor’s 341 hearing in a chapter 13 or 7, there is a financial education requirement the individual debtor must satisfy prior to a chapter 7 or 13 bankruptcy discharge in New York.

Before bankruptcy discharge, a chapter 7 or 13 debtor must prove the debtor has taken an instructional course relating to personal financial management from a provider approved by the Office of the US Trustee. Some of these courses may be taken online so a person does not have to miss work to attend. The chapter 7 or 13 debtor does not prove to the trustee that s/he has taken the course. The proof goes to the bankruptcy court. The debtor’s communications with the trustee are limited. For the chapter 7 debtor, the communications with the trustee usually end after the 341 hearing. For the chapter 13, the communications usually end after the repayment according to the chapter 13 plan. All other communications relating to the bankruptcy are with the court.

The debtor proves s/he took the instructional course concerning personal financial management with a certificate of completion from the training provider. The post-filing debtor education requirement is different from and in addition to the credit counseling class a debtor takes before filing bankruptcy.

If a debtor does not finish the post-bankruptcy filing education on personal financial management from a US Trustee approved provider, the court may close the bankruptcy case and enter a no entry notice of discharge. This makes it important to find a training provider on the US Trustee’s website at www.usdoj.gov/ust. A debtor does not want to go through the entire bankruptcy process and not get the discharge on debts.

To learn how to get a fresh financial start, contact an experienced [New York bankruptcy attorney](#).