

## **RIGHTS AND RESPONSIBILITIES OF CHAPTER 13 CLIENTS AND ATTORNEYS**

It is important for clients who file a bankruptcy case under Chapter 13 to understand their rights and responsibilities. It is also important that the clients know what their attorney's responsibilities are, and understand the importance of communicating with their attorney to make the case successful. Clients should also know that they may expect certain services to be performed by their attorney. In order to assure that clients and their attorney understand their rights and responsibilities in the bankruptcy process, the below guidelines provided by the Court are hereby agreed to by the clients and their attorneys.

### **BEFORE THE CASE IS FILED**

#### **The client agrees to:**

1. Provide the attorney with complete and accurate financial information, including all debts owed, all property owned, an accurate, current and projected budget, copies of all required tax returns or transcripts from the IRS and 6 months of pay stubs.
2. Discuss with the attorney the client's reasons and objectives for filing the case.
3. Review the complete bankruptcy petition (including all schedules and statements) upon its receipt and promptly advise the attorney of any errors, omissions, or changes which need to be made.

#### **The attorney agrees to:**

1. Meet with the client to review the client's debts, assets, liabilities, income, and expenses. Request appropriate financial information, including credit reports and information on any mortgage debt or support obligation.
2. Counsel the client regarding the advisability of filing a bankruptcy and whether filing either a Chapter 7 or Chapter 13 case would assist in meeting the client's objectives; discuss procedures in both Chapter 7 and Chapter 13 with the client, and answer the client's questions.
3. Explain what payments will be made directly by the client and what payments will be made through the client's Chapter 13 plan.
4. Explain to the client how, when, and where to make the Chapter 13 plan payments, including advising the client that the first plan payment must be made to the Trustee no later than 30 days after the case is filed.

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5. Explain to the client how the attorney's fees and trustee's fees are paid, providing a signed copy of the contract between the client and the attorney and a copy of this Rights and Responsibilities to the debtor.

~~6.~~ 6. Advise the client of the requirement to attend the 341 Meeting of Creditors, arriving early, and instruct the client as to the date, time, and place of the meeting. Advise the client to bring a copy of the petition and the schedules and statements to the Meeting.

7. Advise the client of the necessity of maintaining liability, collision, and comprehensive insurance on vehicles securing loans or leases and advise the client of the duty to insure all property of the estate.

8. Timely prepare and file the client's petition, plan, statements, and schedules.

9.  
Ensure that there has been proper notice and service of the plan.

#### **AFTER THE CASE IS FILED**

##### **The client agrees to:**

1. Review the complete bankruptcy petition upon its receipt and promptly advise the attorney of any ~~-~~ errors or omissions.
2. Pay the Trustee within 30 days of filing.
3. Keep the trustee and attorney informed of the client's address, telephone number and employment.
4. Inform the attorney of any wage garnishment or attachment of assets which occurs or continues after the case is filed.
5. Contact the attorney promptly if the client loses his/her job, becomes ill, experiences a budget change, or is otherwise unable to make plan payments.
6. Let the attorney know if the client is sued during the case.
7. Inform the attorney if any tax refunds the client is entitled to are seized or not returned to the client by the IRS.

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8. Provide the documentation/information requested by attorney for attorney to file necessary post-petition motions (tax returns, pay stubs, amended budget).
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9. Contact the attorney before buying, refinancing, or selling real property or a motor vehicle or before entering into any loan agreements to find out what approvals are required, including retaining a real estate agent or listing property for sale.
10. Review the Confirmation Order when received, and advise the attorney -if the client has questions about which creditors are being paid and how much or if the client has questions about anything the debtor must do.
11. Review the Trustee's *Notice of Intent to Pay Claims* when received, and advise the attorney of any filed claim that appears to be improper or excessive, or any creditor who has not filed a proof of claim, but the client wants to make sure is paid.
12. Attend a financial management workshop -no later than the due date of the last scheduled plan payment.
13. Contact the attorney if the debtor receives an inheritance or has any -potential lawsuits against another person or -company after the bankruptcy is filed.
14. Open and read all mail from the attorney, Trustee, or Bankruptcy Court.

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**The attorney agrees to provide the following legal services:**

1. Appear at the 341 Meeting of Creditors with the client.
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2. Review all documents filed in the case and all communications concerning the case.
3. Respond to objections to plan confirmation and, where necessary, prepare an amended plan, and appear at the confirmation hearing.
4. Explain that a plan may be modified after confirmation and, where needed, prepare, file, and serve necessary modifications to the plan which may include suspending, lowering, or increasing plan payments.
5. Prepare, file, and serve necessary amended statements and schedules in accordance with information provided by the client.
6. Prepare, file, and serve necessary motions to buy, sell, or refinance real property when appropriate.
7. Review the confirmation order and the Trustee's notice of intent to pay claims.

8. If necessary, object to improper or invalid claims based upon information provided by the client.
9. File claims for creditors when the client's goals and interests are served by such filing.
10. Respond to client communications, advising the client of the best and most efficient means of communications.
11. File notice of change of employment/change of address.
12. Represent the client in connection with all motions filed.
13. Where appropriate, prepare, file, and serve necessary motions to avoid liens on real or personal property.

The initial retainer for this case is \$ \_\_\_\_\_. Fees shall be paid by the Trustee through the plan unless otherwise ordered. Pursuant to the attorney-client agreement, there may be additional legal fees for non-routine Chapter 13 legal services, such as litigation by means of adversary proceedings. Any such fee must be agreed upon by the client and the attorney, and approved by the court. The attorney may not receive fees directly from the client other than the initial retainer, unless paid by a third party, in which event such payment must be fully disclosed to the Bankruptcy Court.

DEBTOR LAW FIRM NAME \_\_\_\_\_  
 CLIENT \_\_\_\_\_

BY: \_\_\_\_\_  
 CLIENT (if joint) \_\_\_\_\_

The best way to reach the attorney is:	The best way to reach the client(s) is:
The best time to call the attorney is:	The best time to call the client(s) is:


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