

United States Bankruptcy Court Eastern District of Missouri

www.moeb.uscourts.gov



Dana C. McWay
Clerk of the Court

Chapter 13

- Basic Information
- What Steps to Take
- Filing Requirements
- Creditor Matrix
- Terms to Know
- Contact Information

This booklet contains general information about Chapter 13 of the U.S. Bankruptcy Code.

While this information is accurate as of the date of publication, it should not be cited or relied upon as legal authority. This information should supplement, not substitute for advice of competent legal counsel. The Bankruptcy Court cannot give legal advice.

This pamphlet is available on the Court's website at <https://www.moeb.uscourts.gov/filing-without-attorney> and provides hyperlinks to additional resources referenced herein. (8/2020)

WHAT IS CHAPTER 13 BANKRUPTCY?

- Available to individuals with regular income who are temporarily unable to pay their debts but have sufficient income to make payments to creditors.
- Debtors are placed into a "payment plan."
- Debtor makes a fixed monthly payment to a trustee.
- Trustee distributes money to debtor's creditors.
- Debtor is permitted to retain possession of some property. (exempt & non-exempt)
- Debtor will receive a discharge once payment plan ends. (lasts 3-5 years)

ELIGIBLE FOR CHAPTER 13

- Only an individual (or with spouse) with regular & **unsecured** debt of **less than** \$394,725 and **secured** debt of **less than** \$1,184,200 may file Chapter 13
- Debtor must attend a pre-filing credit counseling course

FILING A PETITION AND FEE

See [Filing Information and Information for Parties without Attorneys](#)

The petition is generally filed with the bankruptcy court located in the federal district where the debtor lives.

Along with the petition, debtor must file:

- Bankruptcy schedules & statements
- A list (matrix) of names & addresses of all entities on schedules
- Social security verification form
- Credit counseling certificate
- Other documents

There are **2 options** to pay the filing fee:

ATTORNEY	DEBTOR
<ul style="list-style-type: none"> ▪ Pays electronically 	<ul style="list-style-type: none"> ▪ Pays by cash ▪ Pays by money order ▪ Pays by certified check

*With court permission, fee may be paid in installments. Fee waivers are not permitted in Chapter 13.

Failure to timely file these documents may result in dismissal of the case.

*The Chapter 13 form plan is available on the Court's website under **Local Rules and Forms**. Printed forms are NOT available at the Court.*

CHAPTER 13 PLAN

Within 14 days of filing the petition, debtor must file Chapter 13 Plan & Certificate of Service showing debtor served plan to Trustee and all matrix entities.

- The plan must provide for a fixed-amount payment to trustee on a regular basis.
 - Payments must begin within 30 days of petition.
 - Debtor may request to have their employer send payments directly to the Trustee.
- Length of payment plan depends on debtor's monthly income

3 YEARS	5 YEARS
Debtor's current monthly income is less than the applicable median family income	Debtor's current monthly income is greater than the applicable median family income

- The Bankruptcy Code and Local Rules specify how certain types of claims must be treated.
 - Some debts (i.e., most taxes, domestic support claims) must be paid in full.
 - Other debts may receive partial payment.

Because drafting a Chapter 13 Plan requires familiarity with many rules & procedures, debtors are encouraged to seek legal assistance from an attorney. An attorney can be paid in installments through the plan.

AUTOMATIC STAY

In most instances, filing a Chapter 13 petition imposes an Automatic Stay prohibiting collection against debtor and debtor's property.

In Chapter 13, the Automatic Stay also applies to **co-debtors**. The Stay prohibits collection from an individual who is jointly liable with debtor on a consumer loan.

ELIGIBILITY FOR AUTOMATIC STAY

NOT ELIGIBLE	ELIGIBLE
If debtor has 2 prior bankruptcy cases within past year	If debtor has 1 prior case, the Stay will terminate in 30 days

MEETING OF CREDITORS

Mandatory meeting every debtor must attend. Includes both spouses in a joint case.

Failure to attend may result in case dismissal.

- Debtor must provide trustee with certain financial records & tax returns prior to meeting.
- **Purpose:** Allows trustee and creditors to ask about debtor's financial affairs & debtor's proposed Chapter 13 Plan.

CONFIRMATION

After Meeting of Creditors, the court will hold a **confirmation hearing** about the Plan.

- In order to be confirmed, the Plan must treat claims as required by the Bankruptcy Code and Local Rules.
- Plan must pay creditors at least as much as they would have received in Chapter 7.
- Debtor must devote all disposable income to the Plan.
- Plan & petition must have been filed in good faith.
- Debtor must have filed all federal & state tax returns due for 4 years prior to petition.
- Debtor must be current in paying all domestic support obligations.
- Trustee or creditors may object if the plan does not meet requirements for confirmation.

PAYMENT OF CLAIMS

To receive payment from the Trustee, a creditor must file a **Proof of Claim**. At the beginning of a Chapter 13 case, the Court sends notice of the case to all parties listed on debtor's matrix that lists various deadlines, including the date for filing proofs of claim.

DISCHARGE

Discharge is not dismissal, which terminates the case but does not get rid of any debts. **Discharge** extinguishes a debtor's obligation to pay all debts provided for in the Plan.

- Exceptions for certain debts the law does not permit to be discharged:
 - Certain taxes (including taxes for which returns were not filed)
 - Unscheduled claims
 - Debts incurred by fraud/student loans/domestic support obligations/criminal fines/civil restitution awards
 - Debts from injury caused while driving under the influence
 - Certain long-term debts

AM I ELIGIBLE FOR A DISCHARGE?

ELIGIBLE: Completion of all Plan payments and must complete a post-petition financial management course and file it with the Court.

NOT ELIGIBLE: If debtor received a Discharge in a prior Chapter 13 case filed within 2 years of current case. Or if debtor received a Discharge in a prior Ch 7, 11, or 12 case filed within 4 years of the current case.

CHAPTER 13 RESTRICTIONS

While a Chapter 13 case is pending, the debtor must:

- Seek court approval to incur new debt or sell assets (e.g., buy or sell a home).
- Remit all tax funds over a certain time period to Trustee.
- File an annual statement disclosing the amount and source of debtor's income.

DISMISSAL AND CONVERSION

At any time, the debtor may voluntarily **dismiss** the Ch 13 case or pay a fee to **convert** to Chapter 7.

CHAPTER 13 FILING REQUIREMENTS

See [website](#) for a complete list and detailed instructions.

***Items 1, 2 & 8 MUST be filed or the case will be dismissed**

1. **Filing Fee** or installment application
2. Voluntary Petition
3. Schedule A-J, Summary of Schedules & Statistical Summary of Schedules with signed Declaration
4. Statement of Financial Affairs w/ signed Declaration
5. Chapter 13 Plan
6. SSN Verification Form (B121 Form)
7. Attorney Compensation Disclosure
 - a. Only if debtor has counsel
8. Matrix & Verification of Creditor Matrix
9. Credit Counseling Certificate
10. Statement of Current Monthly Income and Disposable Income Forms (B122C-1 and, if necessary, B122C-2)

GUIDELINES FOR CREDITOR MATRIX

See [website](#) for detailed instructions

The matrix (list of creditors) must be prepared as follows:

1. Type using standard typefaces (Courier) in 10-point font, justified left, single-spaced, in a single column
 - a. Type only on 1 side of the page
 - b. Do not use all capital letters
2. Leave at least a 1-inch margin at the top, bottom, and sides of the page
3. Creditor names must have no more than 50 characters per line
 - a. All other address lines must have no more than 40 characters
 - b. Creditors must have at least 1 blank line between each entry
4. Account numbers should not appear

TERMS TO KNOW

Automatic Stay: Stops all collection of debts against debtor or debtor's property

Asset: Property owned by the debtor. A "no asset case" is one in which there is not enough money or equity to make distribution to creditors.

Discharge: Debtor is released from all debts and does not need to pay them back

Exempt property: The amount of property the debtor is allowed to keep from payment to unsecured creditors. The debtor must elect to claim exemptions under applicable law. Exemptions are not automatic and if not selected, otherwise exempt property may be sold to pay creditors.

- **Non-exempt property** can be taken by creditors

Secured creditor: A creditor who holds a lien on property (collateral) to secure payment of a debt. Secured creditors have a lien or right to foreclose on collateral for payment of a secured debt.

Trustee: An independent person appointed to administer the bankruptcy case, collect assets, and pay creditors.

COURT LOCATION & CONTACT INFORMATION

Eastern Division (St. Louis)	111 South Tenth Street Fourth Floor St. Louis, MO 63102
Southeastern (Cape Girardeau)	555 Independence Street Cape Girardeau, MO 63701
Northern (Hannibal)	801 Broadway, Room 312 Hannibal, MO 63401

Bankruptcy court staff is located only in St. Louis. All documents must be filed in St. Louis.

Hours (St. Louis) Monday - Friday 8:30 a.m. to 4:30 p.m.
Main Telephone. (314) 244-4500
MCVCIS (voice case info) (866) 222-8029 #87
CM/ECF Help Desk (Toll Free). (866) 803-9517
PACER (internet case info) (800) 676-6856

The court does not provide basic bankruptcy forms. Forms may be available at an office supply store or on the Court's web site, www.moeb.uscourts.gov.

Debtors should retain copies of all bankruptcy documents they file.