

Navigating the Path to Financial Freedom

The bankruptcy process aims to provide debtors with a “clean slate” and a path to financial freedom. The Bankruptcy Code helps debtors navigate this path by requiring completion of a course in credit counseling and a debtor education course. The purpose of each course is slightly different, and they are taken at different points in a case. Each course is required in Chapter 7 and Chapter 13 bankruptcies.



CREDIT COUNSELING COURSE

- A credit counseling course must be completed **within 180 days prior to the filing date of your bankruptcy petition**. See 11 U.S.C. Section 109(h)(1). Failure to file a certificate of completion of a credit counseling course along with your bankruptcy petition may result in the Court dismissing your case.
- This requirement is waived in very limited circumstances. To help determine whether you qualify for a waiver of this requirement, the Court suggests speaking with an attorney.
- The Office of the United States Trustee has a list of approved nonprofit credit counseling agencies. The list can be accessed at: <https://www.justice.gov/ust/list-credit-counseling-agencies-approved-pursuant-11-usc-111>.
- The course lasts between 60 and 90 minutes, and the course provider will give a certificate of completion at the end. If not filed with your bankruptcy petition, the certificate of completion must be filed no later than 14 days after the filing of your bankruptcy petition.
- Joint filers must each complete the full course and will receive separate certificates of completion.

DEBTOR EDUCATION COURSE

- A debtor education course must be completed to receive a discharge. See 11 U.S.C. Section 727(a)(11). The course is taken **during the life of your bankruptcy case** and is meant to provide debtors with the tools to stay financially healthy following bankruptcy. After completing the course, the agency providing the course will likely file a certificate of completion on your behalf. If the agency providing the course does not file a certificate of completion on your behalf, you must file Form 423 (Certification about a Financial Management Course), which certifies that you have completed the course. One of the two must be filed to receive a discharge of your debts.
- The time for taking the course varies slightly between Chapter 7 and Chapter 13 cases:
 - Chapter 7: The debtor must complete the course and have the certificate of completion or Form 423 (Certification about a Financial Management Course) filed **no later than 60 days after the date set for your first Meeting of Creditors**.
 - Chapter 13: The debtor must complete the course and have the certificate of completion or Form 423 (Certification about a Financial Management Course) filed **no later than the day you make your last plan payment**.
 - Failure to file the certificate of completion or Form 423 (Certification about Financial Management Course) timely may result in a delay in receiving your discharge or in the closing of your case without a discharge.
- The Office of the United States Trustee provides a list of approved providers of debtor education courses. The list can be accessed at: <https://www.justice.gov/ust/list-approved-providers-personal-financial-management-instructional-courses-debtor-education>.
- This requirement is waived in very limited circumstances. To help determine whether you qualify for a waiver of this requirement, the Court suggests speaking with an attorney.
- Debtors can expect to spend at least two hours to complete this course.
- Joint filers must each complete the full course and will receive separate certificates of completion.

