Reaffirmation Agreements Simplified

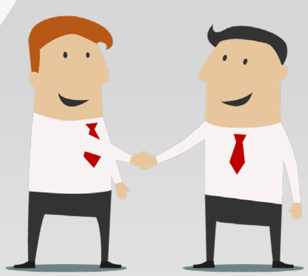
What is a reaffirmation agreement?

- Reaffirmation agreements are made between a creditor and a debtor. They allow the debtor to retain property after the conclusion of their bankruptcy case, most often a vehicle or residence, provided the debtor follows certain terms and conditions.
- Reaffirmation agreements are negotiated and agreed upon during the bankruptcy case, but before the debtor receives a discharge and the case is closed.
- Importantly, the debtor’s choice to enter into the reaffirmation agreement waives discharge of the debt associated with the property that would otherwise be discharged in the debtor’s bankruptcy case. This means the debtor remains liable for the debt after the conclusion of the bankruptcy case, and the creditor can exercise their rights under the reaffirmation agreement in the event of nonpayment, which may include repossession of the property.
- Reaffirmation agreements require judicial approval before becoming effective.

When must a reaffirmation agreement be filed?

Pursuant to Federal Rule of Bankruptcy Procedure 4008, a reaffirmation agreement should be filed no later than sixty (60) days after the first date set for the debtor’s Section 341(a) Meeting of Creditors.

How is a reaffirmation agreement filed?



To reaffirm a debt, the debtor and creditor agree to the terms of the new debt in a written reaffirmation agreement. This written reaffirmation agreement must be filed with with the Bankruptcy Court along with a Reaffirmation Agreement Cover Sheet (Official Form B427). Debtors may reference Director’s Forms B2400A, B2400A/B ALT, B2400B as appropriate. A complete list of forms can be accessed at: **https://www.uscourts.gov/services-forms/forms**

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI

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