

Meeting With A Bankruptcy Attorney? What Questions Will My Bankruptcy Lawyer Ask?

I've had many clients confess, part way through the bankruptcy process, that they were extremely nervous prior to our initial consultation. To their own detriment, I believe that several even postponed filing because of this anxiety. I have to say that my feelings were just a little hurt when I realized that many people have a sort of attorney-phobia. Come on, it's not like I am a dentist! (Ok, low blow – I apologize to all dentists out there).

If you ask any long term clients, you will find that this fear is quickly diminished. One of my top priorities is creating a comfortable and relaxed environment for my bankruptcy clients. However in hopes of appeasing future clients that haven't yet gotten to know me, I have provided a list of questions I may ask during our initial consultation. See? It isn't so bad:

Have you lived in Arizona for longer than 2 consecutive years? Are you currently a U.S. citizen?

Have you ever filed for bankruptcy before? What was the date it was filed? Do you understand that 8 years must pass from the date of your past chapter 7 filing before you can file again?

Can you estimate your current debt amount? Assets? Do you know the approximate proportion of secured vs. unsecured?

Do you own your home? What is the current mortgage balance? What is the estimated value? Do you understand that the Arizona chapter 7 bankruptcy housing exemption is \$150,000?

Do you regularly file taxes? Are you currently owed a refund from the state or federal government? Do you understand that tax refunds are generally not exempt when filing bankruptcy in Arizona?

Do you currently own a car? Do you own several cars? What is the equity in said cars? Do you understand that the Arizona chapter 7 bankruptcy automobile exemption is \$5,000?

Are you filing bankruptcy to discharge student loans, alimony payments, or child support payments? Do you understand that these debts cannot be discharged in chapter 7 bankruptcy?

Is there any chance that you may be receiving an inheritance or other windfall in the near future? You realize that your bankruptcy can still be opened after debts are discharged and monies acquired after discharge may still be considered part of the bankruptcy estate? Do you realize this also includes any judgments you are granted?

Have you recently made any large purchases on your credit cards? Have you recently made any large gifts or repayments to a friend or family member? Have you recently transferred any assets?

Have any friends or family members co-signed on your debts? Do you understand that bankruptcy will only remove your personal liability, and not that of your co-signers?

Do you currently have a sort of savings account? Do you understand that some account forms (such as IRAs, 401ks) may not be considered part of the bankruptcy estate? Do you realize that only the first \$150 in your savings/checking account is considered exempt?

Do you realize that there are substantial fees associated with filing bankruptcy and completing the mandatory credit counseling? Do you understand that, unless specifically addressed in our fee agreement, these fees are in addition to attorneys fees?

And while we are on the subject, do you realize that there are attorneys fees associated with filing bankruptcy? Do you realize that these fees will often be required upfront?

Are you wages currently being garnished? Is your Arizona primary residence facing foreclosure? Are you being sued?

Are you married? If so, will your spouse also be filing? Do you realize that Arizona is a community property state, which can complicate the filing of bankruptcy by only one spouse?

Do you realize that bankruptcy does not happen overnight? Are you ready to complete the seemingly endless amounts of paperwork I will send your way? Do you understand that you must completely document all of your debts and your assets?

Do you currently own a business? Are you currently a member of a partnership agreement? Do you own any patents?

Don't hold me to this list, as some of them may not come up during our initial bankruptcy consultation and I may think of a few more along the way. But, in any case I hope your realize that there is nothing to be worried about. Most of these questions are pretty easy if you have taken the time to organize your personal documents.