

## **§ 342 NOTICE TO INDIVIDUAL CONSUMERS**

This notice is provided pursuant to 11 USC § 527 (a)(2), and is given in addition to the Notice to Individual Consumer Debtor(s) required pursuant to 11 USC § 342(b)(1).

- A. All information that you, the debtor, are required to provide in order to file a petition and all documents throughout any bankruptcy case is required to be complete, accurate, and truthful.
- B. All assets (property of any nature) and liabilities (debts and claims of any nature) are required to be completely and accurately disclosed in the papers filed with the bankruptcy court in connection with the case. The replacement value of each asset, which is determined as of the date of filing of your petition in bankruptcy without deduction for costs of sale or marketing and or the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined, must be stated in those documents where requested after reasonable inquiry to establish the value.
- C. Accurate, current monthly income and expenses must be stated, as follows:
  1. In a chapter 7 case, current monthly income reduced by reasonable monthly expenses as specified under the National Standards issued by the IRS for your residential area, along with your actual monthly expenses or categories specified as Other Necessary Expenses for you, your spouse and your dependents. Such expenses shall include reasonably necessary health insurance, disability insurance, and health savings account expenses for you, your spouse and your dependents. Such amounts shall not include payments for debts. Such amounts shall include your reasonably necessary expenses to protect yourself your spouse or your dependents form family violence. If it demonstrated that it is reasonably and necessary, your budget may include an additional allowance for food and clothing of up to 5% of the food and clothing categories as issued in the National Standards issued by the IRS.

Your monthly expenses may include the continuation of actual expenses paid by you that are reasonable and necessary for care and support of an elderly, chronically ill, or disabled household member or member of your immediate family (including parents, grandparents, siblings, children, and grandchildren), your dependents and your spouse, who are unable to pay their own expenses.

Your expenses may also include the actual expenses for each dependent child less than 18 years of age, not to exceed \$1,500.00 per year per child, to attend a private or public elementary or secondary school if you provide documentation of such expenses and a detailed explanation of why such expenses are reasonable and necessary, and why such expenses are not already accounted for in the National Standards issued by the IRS.

Your expenses may also include an allowance for housing and utilities, in excess of the National Standards issued by the IRS if you provide documentation of such actual expenses and demonstrate that such actual expenses are reasonable and necessary.

2. In a Chapter 13, in addition to the above, your monthly expenses may include the actual expenses of administering your chapter 13 case, up to 10% of all projected plan payments.

In a Chapter 13, to determine your disposable income (that is, income available over your expense with which to pay your creditors), you will calculate your average monthly payments on account of secured debts, by calculating the sum of (a) the total of all amounts scheduled as due under the contract with your secured creditor in each month of the 60 months following the date of filing of your petition; and (b) any additional payments to secured creditors necessary for you to maintain possession of your primary residence, motor vehicle, or other property necessary for your support and the support of your spouse and dependents, that serves as collateral for secured debts, divided by 60.

Your priority claims, such as child support and spousal support, shall be calculated as the total amount of debts entitled to priority divided by 60.

You must attest under oath that the information provided relative to income and expenses are accurate. You must include a statement showing your calculations.

- D. You must provide a list of creditors, including names, addresses, account numbers and balances due. If you are unsure of this information, use the information printed on the last 2 communications you have received from each creditor. Do not use the address provided by your creditor to send payments. Do use the address provided by your creditor for correspondence. You may use the balances due on the latest of the last 2 statements sent to you by each creditor.
- E. Certain property is exempt from attachment, execution or garnishment by your creditors. This means that you may keep that property, generally. In order to determine whether your property is exempt, you may use the exemption sheets attached. The attached are citations to the law which creates the exemption, a brief explanation of the scope of the exemption, and the dollar limitations, per person, of each exemption. Certain assets, such as retirement plans created pursuant to Section 401(k) of the Internal Revenue Code, are not listed as subject to exemption because they are not property that the creditors can take. Those assets still must be disclosed to the Court in your bankruptcy papers.
- F. Information that you provide may be audited. Failure to provide such information may

result in the dismissal of your case or other sanction, including criminal sanctions.