

Thirty-four DON'TS in preparing to file a Chapter 7

1. Don't leave out Bank, Checking, Savings, Brokerage, Credit Union accounts.
2. Don't file if your income is greater than your expenses.
3. Don't use your credit cards.
4. Don't take Credit Card Cash Advances.
5. Don't use convenience checks.
6. Don't do balance transfers.
7. Don't pay money to Family.
8. Don't pay money to Friends.
9. Don't tell a creditor that you intend to pay.
10. Don't leave assets off of your paperwork.
11. Don't file if you are about to receive a tax return or inheritance. Discuss the timing with your attorney.
12. Don't fail to tell your attorney about your small business, sole proprietorship, partnership, LLC, LLP, LC, corporation, or hobby.
13. Don't purchase a home shortly before filing bankruptcy without consulting your attorney.
14. Don't give or gift property to anyone.
15. Don't pay more than \$600 on any past due bill.
16. Don't transfer property to anyone.
17. Don't cash out retirement plans or 401k's.
18. Don't take out a second mortgage.
19. Don't gamble.
20. Don't hide assets or debts.
21. Don't take out "payday loans".
22. Don't put your money in your kids' bank accounts.
23. Don't omit or 'save' a credit card for after your bankruptcy.
24. Don't fail to list debt to family or other "insiders."
25. Don't write bad checks.
26. Don't borrow money.
27. Don't forget to tell your attorney about liens you may have on your home or unpaid judgments so they can be avoided.
28. Don't make major financial decisions without talking to your attorney.
29. Don't get married before filing if your spouse has a high income.
30. Don't misrepresent facts to your attorney.
31. Don't run up your credit cards in advance of filing bankruptcy.
32. Don't fail to appear at State court hearings, trial or proceedings; coordinate with your attorney.
33. Don't hide from your attorney. Keep them up-to date with your address, phone number and email address.
34. Don't bank where you owe money. Close the account and reestablish it somewhere else.

Social Security debtors who do this will have a lag time of a few months because it sometimes takes that long for SS to get it done. If you are are pressed to file then clear out the account as soon as the deposit hits the bank.

This also happens with payday loans. Many of those businesses have the Debtors sign a form to withdraw money from the account on a regular basis and these are almost impossible to stop.