
HOW TO FILE A CHAPTER 7 BANKRUPTCY CASE

District of New Jersey

Attorney Resource Guide



ELECTRONIC FILING IS MANDATORY IN THE DISTRICT OF NEW JERSEY

Attorneys who file 10 or more pleadings in a 12 month period must utilize CM/ECF and file all pleadings electronically. Attorneys must be trained and certified by the Bankruptcy Court to use CM/ECF. Click here for [CM/ECF Training Information](#).

Attorneys who file hard copy pleadings must also include our court's local form, [Certification of Non-Compliance](#). This form is used to indicate the reason the attorney is not filing electronically.

CM/ECF policies and procedures are found in the [Administrative Procedures for the Filing, Signing and Verifying of Documents by Electronic Means](#). In addition, the [Commentary Supplementing Administrative Procedures](#) is intended to provide e:filers with a greater understanding of the scope, intent and background of the rules governing electronic filing in this court.

CM/ECF contains various pick lists, check boxes and radio buttons to standardize the electronic docketing process. It is important that e:filers make selections that accurately describe the pleading being filed. Our court has posted guidance documents on our website to help e:filers become familiar with the docketing events available in CM/ECF. [CM/ECF Event Lists](#) are alphabetic listings of all docketing events in CM/ECF. These lists include general e:filing guidance and links to applicable local rules and forms. [CM/ECF Event Instructions](#) provide step by step docketing instructions for individual docketed events.

This guide is to be used as a resource for filing a Chapter 7 case with the court. There are links throughout this document to information which may be needed during a bankruptcy case, including forms and rules. All of the links are also available through our website at www.njb.uscourts.gov.

IMPORTANT: BEFORE FILING FOR BANKRUPTCY, INDIVIDUAL DEBTORS MUST OBTAIN CREDIT COUNSELING AND INCLUDE AN OFFICIAL CREDIT COUNSELING CERTIFICATE WITH THEIR PETITION. FAILURE TO OBTAIN CREDIT COUNSELING DURING THE 180 DAYS PRECEDING THE FILING OF THE PETITION WILL RESULT IN THE DISMISSAL OF THE CASE AND MAY ADVERSELY AFFECT ANY FUTURE FILING ON BEHALF OF THIS DEBTOR.

[CLICK HERE](#) TO VIEW APPROVED CREDIT COUNSELING AGENCIES.

EXCEPTIONS TO THE CREDIT COUNSELING REQUIREMENT ARE SET FORTH IN 11 U.S.C. §109(h)(4)

1. What is a Chapter 7 case?

A Chapter 7 bankruptcy, often referred to as “liquidation”, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor’s estate, reduces them to cash, and makes distributions to creditors, subject to the debtor’s right to retain certain exempt property and the rights of secured creditors.

In most Chapter 7 cases, if the debtor is an individual, he or she receives a discharge that releases him or her from personal liability for certain dischargeable debts. The debtor normally receives a discharge just a few months after the petition is filed.

Filing a Chapter 7 petition “automatically stays” (stops) most collection actions against debtors or their property. As long as the automatic stay is in effect, creditors generally may not initiate or continue lawsuits, wage garnishments, or demand payment. However, there are a number of exceptions to the automatic stay (a criminal proceeding, for example), and in some instances the automatic stay may only be in place for a short period of time.

For more information about Chapter 7, refer to the [Bankruptcy Basics Guide](#).

2. What does the debtor need to do before filing a Chapter 7 case?

Before filing a Chapter 7 case, an individual debtor must obtain credit counseling from an approved credit counseling agency. The debtor must receive credit counseling during the 180 days before the bankruptcy petition is filed. If the debtor is married and filing a joint petition, both debtors must obtain credit counseling. Credit counseling may be conducted over the phone, over the internet or in person. When the credit counseling is completed, the credit counseling agency issues a credit counseling certificate.

When the petition is filed, you must file the credit counseling certificate **and** Exhibit D - Individual Debtor’s Statement of Compliance with Credit Counseling Requirement.

E:FILING GUIDANCE: Exhibit D is e:filed as part of the petition package. To e:file the credit counseling certificate, use the *Certificate of Credit Counseling* event located in Misc. Events category. This must be e:filed at the time the petition is e:filed, but as a separate pleading. [Click here](#) for docketing instructions.

There are limited exceptions to the credit counseling requirement as noted in Exhibit D:

- Box 3 states the debtor requested counseling from an approved agency, but was unable to obtain services within 5 days of the request.
- Box 4 states the debtor is not required to receive credit counseling because of incapacity or disability (defined in 11 U.S.C. §109(h)(4)), or active military duty in a military combat zone.

Click here to locate an approved [Credit Counseling Agency](#).

Click here for more information about [Credit Counseling](#).

Note: Credit Counseling is not the same as the Personal Financial Management Course (Debtor Education). The Personal Financial Management Course is required AFTER the petition is filed and must be completed before receiving a discharge. See question 17 below for more information.

3. Who is eligible to file a Chapter 7 case?

A debtor must complete [Official Form B22A - Statement of Current Monthly Income and Means Test Calculation](#). (commonly referred to as the Means Test)

To be eligible to file a Chapter 7 case, the debtor's current monthly income, as calculated on Official Form B22A, may not be higher than the state median income. If the debtor's current monthly income is higher than the state median income, it is determined that the debtor could repay a level of unsecured debt and the filing of a Chapter 13 case may be appropriate. If the debtor still wants to file a Chapter 7, it is presumed that the filing is an abuse of the Chapter 7 process and you must check **The Presumption arises** box on Official Form B22A.

E:FILING GUIDANCE: Official Form B22A is e:filed as part of the petition package. When using *BK Case Opening - Voluntary*, you will be presented with a screen stating **Presumption Arises**. You must select either **yes** or **no** from the selection box.

Click here for more information on [Means Testing Guidance](#).

Note: A debtor may be exempt from the Means Test if they are a disabled veteran. See Part I of Official Form B22A, *Exclusion for Disabled Veterans*. A Motion for Exemption from Means Test must also be filed. Click here for the local rule regarding motion practice [DNJ LBR 9013-1](#).

E:FILING GUIDANCE: Use the *Exemption from Means Test* event located in the Motion/Application category. [Click here](#) for docketing instructions.

4. Where should the petition be filed?

The petition and all documents relating to the bankruptcy case must be filed at the Bankruptcy Court Clerk’s Office located in the geographic area (commonly referred to as vicinage) in which the debtor resides, or in which the debtor has its principal place of business. The Bankruptcy Court for the District of New Jersey is divided by county into three vicinages (See [D.N.J. LBR 1073-1](#)).

The Camden vicinage consists of Atlantic, part of Burlington (the townships of Cinnaminson, Delran, Edgewater Park, Evesham [Marlton], Maple Shade, Moorestown, Mt. Laurel, Palmyra, Riverside and Riverton), Camden, Cape May, Cumberland, Gloucester and Salem counties.

The Newark vicinage consists of Bergen, Essex, Hudson, Morris, Passaic, Sussex and Union counties.

The Trenton vicinage consists of part of Burlington (**excluded** are the townships of Cinnaminson, Delran, Edgewater Park, Evesham [Marlton], Maple Shade, Moorestown, Mt. Laurel, Palmyra, Riverside and Riverton), Hunterdon, Mercer, Middlesex, Monmouth, Ocean, Somerset and Warren counties.

E:FILING GUIDANCE: CM/ECF will automatically assign the vicinage based on the zip code entered.

CAMDEN	NEWARK	TRENTON
US Post Office & Courthouse P.O. Box 2067 401 Market Street Camden, NJ 08101-2067	Martin Luther King Jr. Federal Building P.O. Box 1352 50 Walnut Street Newark, NJ 07101-1352	Clarkson S. Fisher U.S. Courthouse 402 East State Street Trenton, NJ 08608
856-757-5485	973-645-4764	609-989-2200
8:30 a.m. to 4:00 p.m.	8:30 a.m. to 4:00 p.m.	8:30 a.m. to 4:00 p.m.

5. What is the fee to file a Chapter 7 petition?

The filing fee for a Chapter 7 petition is **\$299.00**. The court does not accept cash or personal checks. *EXCEPTION: Attorneys may pay by personal check bearing Esquire, Attorney at Law or any other designation that identifies you as an attorney.* Payment may be made by money order, certified check, or bank check. Payments must be made payable to the Clerk, United States Bankruptcy Court. The court will also accept credit cards previously approved by the court. A [Credit Card Payment](#) form must be completed and attached to the pleading you are filing.

If the full filing fee cannot be paid at the time the petition is filed, individual Chapter 7 debtors may apply for an installment schedule or a waiver of the fee.

To pay the filing fee in installments, file [Form 3A Application to Pay Filing Fee in Installments](#). Debtors can make up to four installment payments. The final installment must be made within 120 days after the petition is filed. If the debtor fails to pay any installment when due, the case may be dismissed and the debtor will not receive a discharge of debts.

To apply for a waiver, file [Form B3B - Application to Waive Chapter 7 Filing Fee \(In Forma Pauperis\)](#). By law, the judge may waive the filing fee only if the debtor's income is less than 150 percent of the official poverty line for a specific family size and the debtor is unable to pay the fee in installments.

E: FILING GUIDANCE: (1) E:Filing attorneys must pay by credit card via the internet. The court must have a [Credit Card Authorization Form](#) from you on file. (2) If you are requesting an installment schedule, e:file Form 3A using the *Pay Filing Fees in Installments* event located in the Motions/Application category. [Click here](#) for docketing instructions. (3) If you are requesting a waiver of the fee, e:file Form B3B using the *Waiver of Ch 7 Filing Fee* event located in the Motions/Application category. [Click here](#) for docketing instructions.

Click here for more information on [Poverty Guidelines](#).

Click here for the complete [Fee Schedule](#).

6. What forms must be filed?

The table below lists all the forms that must be filed to commence a Chapter 7 case.

Click here for more information on [Required Lists, Schedules, Statements and Fees](#)

Note: The Bankruptcy Court Clerk's Office does not maintain hard copies of the official forms required for filing bankruptcy, but they may be downloaded from our website, www.njb.uscourts.gov. They may also be purchased from any office supply store.

Please be sure to sign all documents where applicable. Proper signatures are required to process all paperwork. If a married couple files a joint case, both spouses must sign wherever a signature is required.

E:FILING GUIDANCE: Attorneys must enter */s/Attorney's Name* on the line where your signature would normally appear. [Click here](#) for more guidance on this requirement.

FORMS	NOTES
<p>Official Form B1 - Voluntary Petition</p> <p><u>E:FILING GUIDANCE:</u> Use the Case Upload module or use <i>BK Case Opening - Voluntary</i>. During case opening, please enter the full nine digit Social Security number when asked to do so. CM/ECF will automatically block the first 5 digits.</p>	<p>This form is used to commence a voluntary case under Chapter 7, 11, 12, or 13 of the Bankruptcy Code. Please note that only the last 4 digits of the debtor(s) Social Security number are entered on this form.</p>
<p>Exhibit B on page 2 of Voluntary Petition</p>	<p>If debtor is an individual with primarily consumer debt AND represented by an attorney, the attorney must sign <i>Exhibit B</i> section on page 2 of petition</p>
<p>Official Form B21 - Statement of Social Security Number (also referred to as Social Security Number Declaration)</p>	<p>This form is used to provide the court with the debtor's full 9 digit Social Security number OR to indicate that the debtor does not have a Social Security number. It is only required when filing hard copy documents. To comply with privacy guidelines, this form does not become part of the official court record. DO NOT E:FILE THIS FORM.</p>

FORMS	NOTES
<p>Credit Counseling Certificate</p> <p><u>E:FILING GUIDANCE:</u> E:file this separate from the petition using the <i>Certificate of Credit Counseling</i> event located in the Misc. Events category. Click here for docketing instructions.</p> <p>The credit counseling agency may provide a <i>Debtor Repayment Plan</i>. This is NOT a required form, but if the debtor receives this form from the agency, it may be filed with the petition.</p> <p><u>E:FILING GUIDANCE:</u> Use the <i>Debtor Repayment Plan</i> event located in Misc. Events category. Click here for docketing instructions.</p>	<p>This is NOT a court form and cannot be obtained from the court. This certificate is issued by the credit counseling agency upon completion of the briefing.</p> <p>There are limited exceptions to the credit counseling requirement. ** See Exhibit D below for more information.</p>
<p>Exhibit D - Individual Debtor's Statement of Compliance with Credit Counseling Requirement</p> <p><u>E:FILING GUIDANCE:</u> E:file Exhibit D as part of the petition package during case opening.</p>	<p>This form is in addition to the Credit Counseling Certificate. If this is a joint debtor case, each debtor must file Exhibit D.</p> <p>**For an extension of time to file a credit counseling certificate, see Box 3 of Exhibit D.</p> <p>**If you are not required to receive credit counseling because you are on active military duty in a military combat zone or because of incapacity or disability as defined in 11 U.S.C. §109(h)(4), see Box 4 of Exhibit D.</p>
<p>Official Form B22A - Statement of Current Monthly Income and Means Test Calculation</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>This form must be completed to determine Chapter 7 eligibility.</p>

FORMS	NOTES
<p>Official Form B6 - Summary of Schedules (Includes Statistical Summary of Certain Liabilities)</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>Both pages of this document are required. Failure to file both pages will result in the issuance of a Deficiency Notice and dismissal of the case if not filed within 15 days of the petition.</p>
<p>Official Form 6A - Real Property</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List all real property in which the debtor has any legal, equitable, or future interest.</p>
<p>Official Form 6B - Personal Property</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List all of the debtor's interests in personal property.</p>
<p>Official Form 6C - Property Claimed as Exempt</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List all property which debtor claims as exempt. You must also include the market value of the property</p>
<p>Official Form 6D - Creditors Holding Secured Claims</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests. Click here for definition of secured creditor</p>

FORMS	NOTES
<p>Official Form 6E - Creditors Holding Unsecured Priority Claims</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>A complete list of claims entitled to priority. Only holders of unsecured claims entitled to priority should be listed in this schedule.</p> <p>Click here for definition of priority claim.</p>
<p>Official Form 6F - Creditors Holding Unsecured Nonpriority Claims</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition.</p> <p>Click here for definition of unsecured claim</p>
<p>Official Form 6G - Executory Contracts and Unexpired Leases</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List all executory contracts of any nature and all unexpired leases of real or personal property. Indicate whether debtor is the lessor (landlord) or lessee (tenant) of a lease.</p>
<p>Official Form 6H - Codebtors</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors.</p>
<p>Official Form 6I - Current Income of Individual Debtors</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List of current income. The column labeled “Spouse” must be completed in all cases filed by joint debtors and by every married debtor, whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.</p>
<p>Official Form 6J - Current Expenditures of Individual</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List of estimated average or projected monthly expenses of the debtor and debtor’s family at the time the case is filed.</p>

FORMS	NOTES
<p>List of All Creditors (commonly referred to as the Creditor Matrix).</p> <p><u>E:FILING GUIDANCE:</u> E:file using <i>Upload a Creditor Matrix File</i> event located in the Creditor Maintenance category.</p>	<p>If more than 50 creditors, submit a diskette or CD containing the names and addresses of all creditors. If less than 50 creditors, paper matrix must be submitted. See D.N.J. LBR 1007-2. See also Matrix Specifications.</p>
<p>Official Form 7 - Statement of Financial Affairs</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>List of income from employment and income other than from employment; list of payments to creditors, gifts, repossessions, foreclosures, etc.</p>
<p>Official Form 8 - Statement of Intention Regarding Secured Property</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>Required ONLY if debtor is an individual and the Schedules of Assets and Liabilities contain debts secured by property of the estate or personal property subject to an unexpired lease. For instance, debtor must complete the form if they have given a mortgage against their home, or if their car is collateral for a car loan. Must be filed within 30 days.</p>
<p>Procedure Form B203 Attorney Disclosure Statement</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>Only required if debtor is represented by an attorney.</p>
<p>Corporate Resolution</p> <p><u>E:FILING GUIDANCE:</u> E:file as part of the petition package during case opening.</p>	<p>Only required if debtor is a corporation.</p>

7. How many copies of all forms must be filed?

If you are filing hard copies, include an original and one copy of all forms.

E:FILING GUIDANCE: Simply e:file all forms. DO NOT submit hard copies unless directed to do so by the court.

8. How should the forms be completed?

ALL BLANK SPACES AND LINES ON EACH FORM should be completed. Some forms (Schedule E, F, G, and H, and the Statement of Financial Affairs) contain boxes to indicate that the debtor has nothing to report or a question does not apply. On all other forms, the debtor should either insert “N/A” or “None” in response to any question or request for information that is not applicable or should cross out a printed statement that does not apply and initial the cross out.

Sensitive information should not be included in any document filed with the court unless such inclusion is required by statute, Federal Rules of Bankruptcy Procedure or Official Bankruptcy Forms, or the inclusion is otherwise necessary and relevant to the case. You must remember that any personal information not otherwise protected will be available on the internet via WebPACER.

Social Security numbers should only include the last 4 digits, except when the full number is required. Financial account numbers, dates of birth and names of minor children should only be included if required. Exercise caution when filing any of the following:

- any personal identifying number, such as driver’s license number
- medical records, treatment and diagnosis
- employment history
- individual financial information
- proprietary or trade secret information.

The Clerk’s Office will not review documents for the purpose of redacting sensitive information. The court will image all pleadings as submitted even if they contain personal identifying information.

Click here for our court’s [Privacy Guidelines](#).

9. What if the debtor must file immediately?

The following **MUST** be filed:

- [Official Form 1 Voluntary Petition](#)
- [Official Form 21 Statement of Social Security Number](#) (this is only required when filing hard copies. This form is not required when e:filing)
- Credit Counseling Certificate (or indicate on Exhibit D a Request for Exemption or Exigent Circumstances)
- Creditor Matrix.(there must be at least one creditor on the creditor matrix)

In addition, you must include the full filing fee of \$299 OR [Form 3A - Application to Pay Filing Fee in Installments](#) OR [Form B3B Application for Waiver of the Chapter 7 Filing Fee](#). See #5 above for information on the Chapter 7 filing fee.

E:FILING GUIDANCE: When using *BK Case Opening - Voluntary*, you must select *Y* from the Deficiencies drop down list on the first screen. Several screens later, you will be presented with a list of required documents and you must select the documents you are missing.

10. What happens if all required forms are not filed at the time of filing the petition?

Failure to file all required documents at the time the petition is filed will result in the issuance of a *Deficiency Notice*. This notice advises debtors that they have 15 days from the date the petition is filed to submit all *required documents* or the bankruptcy case will be dismissed without further notice. Debtors may request an extension of the 15 day deadline by application to the court.

Click here for the proposed order; [Order Re: Extension of Time to File Schedules](#)

E:FILING GUIDANCE: Use the *Extend Time* event in the Motions/Applications category and upload the proposed order as an attachment to the application. [Click here](#) for docketing instructions.

11. How should deficient schedules be e:filed?

E:FILING GUIDANCE: Use the *Missing Document(s) Filed* event located in the Misc. Events category. All missing documents must be uploaded as one .pdf using this event with the **exception** of the Credit Counseling Certificate. This document must be e:filed separately using the Certificate of Credit Counseling event also located in the Misc. Events category.

12. What happens after all required documents are filed?

Shortly after the petition is filed, the United States Trustee appoints a trustee and the court will issue a [Notice of Chapter 7 Bankruptcy Case, Meeting of Creditors & Deadlines](#). This notice is sent to all creditors in the case and contains the following information:

- Debtor's name
- Date/time/location of the First Meeting of Creditors (also known as 341 Meeting)
- Deadline to file a complaint objecting to discharge or dischargeability of debts
- Deadline to object to exemptions

Note: Please read the notice carefully. The meeting may not be held in the courthouse, but may be held at another location.

13. What is the role of the trustee in the case?

The trustee is appointed by the United States Trustee to administer the case. The primary functions of the trustee are to examine the assets of the estate, if any, liquidate non-exempt assets, and serve as the disbursing agent to the creditors. The trustee technically becomes the temporary owner of the debtor's non-exempt property. The creditors are paid by selling non-exempt property of the debtor's estate. If there are no non-exempt assets in the estate, the case is referred to as a "no asset" case. Creditors need not file a proof of claim in a no asset case. Creditors must file a proof of claim if assets are later recovered.

14. What is the First Meeting of Creditors and how should the debtor prepare for this meeting?

All debtors **MUST** attend the First Meeting of Creditors. Failure to attend may result in the dismissal the debtor's case. If a married couple files a joint case, both debtors must appear at the meeting. At the meeting, the Chapter 7 Trustee will ask the debtor questions, under oath, about what he or she owes and owns, and debtor's income.

No later than seven (7) days before the Meeting of Creditors, the debtor must send the following to the trustee:

- A copy of their most recent federal income tax return (or transcript of return).
- Copies of pay stubs received within 60 days before the date of filing of the bankruptcy petition.

Note: DO NOT FILE PAY STUBS OR TAX RETURNS WITH THE COURT. Remember, it is the sole responsibility of the parties in the case to redact sensitive information such as names of children, account numbers (except the last 4 digits), and dates of birth (except the year). Only show the last 4 digits of a Social Security number.

The debtor must bring the following with them to the First Meeting of Creditors:

- Picture Identification;
- Proof of Social Security number;
- Market analysis of any real estate they own.

15. After filing, what happens to creditors' collection activities against the debtor?

Once the petition is filed with the court, the automatic stay will go into effect. The automatic stay is an injunction that automatically stops lawsuits, foreclosure, garnishments and all collection activity against the debtor by their creditors for any debt which arose before the

filing of the bankruptcy.

Note: There are exceptions which may result in the automatic stay not going into effect, or being limited in duration. Some, but not all, exceptions are listed below:

- Debtor had a previous case pending within the preceding one-year period, but the case was dismissed. In this situation, the automatic stay would terminate on the 30th day after filing the new case, unless the debtor applies for an extension of the automatic stay.
- Debtor had more than one previous case pending within the preceding one-year period, but the cases were dismissed. In this situation, the automatic stay does not go into effect unless the debtor applies for imposition of the stay.

A creditor may file a Motion to Lift the Automatic Stay, which is a request by a creditor that, if granted, would allow the creditor to collect a debt against a debtor or the debtor's property that would otherwise be prohibited by the automatic stay.

16. How are schedules amended after they are filed:

The original schedules filed with the petition may need to be amended. [See D.N.J. LBR 1009-1.](#) Click here for the form [Amendment to Schedules D,E,F or List of Creditors](#). See also, [Order Respecting Amendment to Chapter 7](#).

The addition of new creditors requires a new creditor matrix containing **only** those creditors being added. There is a fee of \$26 to amend Schedules D, E or F. This fee does not apply if you are simply amending the address of a listed creditor or adding the name and/or address of an attorney for a listed creditor

E:FILING GUIDANCE: Use the *Amended List of Creditors* event ([click here](#) for docketing instructions) or the *Amended Schedules* event ([click here](#) for docketing instructions) located in Misc. Events category. If a fee is required, CM/ECF will provide the credit card screens.

17. What is a discharge and how does the debtor receive the discharge?

A discharge releases a debtor from personal liability of certain debts known as dischargeable debts, and prevents the creditors owed those debts from taking any action against the debtor or the debtor's property to collect the debts. The discharge also prohibits creditors from communicating with the debtor regarding the debt, including telephone calls, letters, and personal contact.

The debtor is eligible for a discharge usually between 60 and 90 days after the Meeting of Creditors, as long as the debtor:

- certifies (if applicable) that all domestic support obligations have been paid
- has not received a discharge in a Chapter 7 or Chapter 11 case within eight years preceding the filing of the new case
- has not received a discharge in a Chapter 12 or Chapter 13 case within six (6) years preceding the filing of the new case**
- does not have a complaint against them which objects to the discharge or the dischargeability of a debt
- has completed an approved personal financial management course. Click here for [Official Form 23 - Debtor's Certification of Completion of Personal Financial Management Course](#).

**** Note:** When a new Chapter 7 case is filed, and a discharge was entered in a Chapter 12 or Chapter 13 case filed within the previous six (6) years, the court may not withhold the debtor(s) discharge. However, creditors and parties in interest may file a complaint objecting to discharge under §727(a)(9).

Every debt is not discharged. There are exceptions to the discharge, which include, but are not limited to:

- debts for alimony and child support;
- most student loans;
- debts arising from death or personal injury caused by driving while intoxicated or under the influence of drugs, and;
- debts for criminal fines or restitution.

Click link to see sample [Discharge Notice](#) and some exceptions.

18. **What is the Personal Financial Management Course (Debtor Education)?**

Debtors are required to complete an instructional course in personal financial management as a condition for receiving a discharge. This course is in addition to the credit counseling requirement. When the personal financial management course is completed, the debtor must file [Official Form 23 - Debtor's Certification of Completion of Instructional Course Concerning Personal Financial Management](#). If a married couple files a joint petition, both must attend the course and both must file an Official Form 23. Official Form 23 should **NOT** be filed when you file the petition. It must be filed within 45 days of the first date set for the Meeting of Creditors. If Official Form 23 is not filed, the court may close the case without a discharge. If you then file a motion to reopen the case to allow the filing of Official Form 23, you must pay the full filing fee due for filing such a motion.

There are limited exceptions to the personal financial management course requirement such as incapacity or disability (defined in 11 U.S.C. §109(h)) or active military duty in a

military combat zone. You must make the appropriate selection on Official Form 23 **and** file a [Request for Exemption from Financial Management](#).

Click here for a list of approved [Debtor Education Providers](#).

E:FILING GUIDANCE: To e:file Official Form 23, use the *Financial Management Course (Official Form 23)* event located in Misc. Events category. [Click here](#) for docketing instructions. To request an exemption, use the *Exemption from Financial Management Course* event located in the Motion/Application category and upload the [Request for Exemption](#) form. [Click here](#) for docketing instructions.

19. Can the debtor keep certain secured property such as their car?

If a debtor would like to keep certain property, such as a car, they may “reaffirm” their debt. A reaffirmation is an agreement between the debtor and the creditor indicating that the debtor is liable and will pay all or a portion of the money owed, even though the debt would otherwise be discharged in the case. In return, the creditor promises to not repossess or take back the car or other property as long as the debtor continues to make payments. Reaffirmation of a debt must be done before the discharge is entered in the case. The reaffirmation agreement must be signed and filed with the court and the judge will decide if the reaffirmation agreement is approved. The court must find that the reaffirmation does not impose undue hardship on the debtor and that it is in the debtor’s best interest. Reaffirmation agreements are voluntary. If the debtor agrees to reaffirm a debt and fails to make the payment required, the creditor can take action against the debtor to recover any property and the debtor may remain personally liable for any remaining debt that they have reaffirmed.

Click link for [Reaffirmation Agreement \(Form B240A\)](#)

E:FILING GUIDANCE: Use the *Approval of Reaffirmation Agreement* event located in the Motion/Application category. [Click here](#) for docketing instructions.

Other Important Things to Know

Bankruptcy Code and Rules

Bankruptcy cases are subject to federal laws contained in Title 11 of the United States Code. Procedural aspects of bankruptcy cases are governed by the Federal Rules of Bankruptcy Procedure. The Bankruptcy Code and Rules may be accessed on line by clicking on the links below:

[Title 11 United States Code](#)
[Federal Rules of Bankruptcy Procedure](#)

Local Rules

The District of New Jersey has local rules of practice. The local rules can be purchased at the court or viewed on line at www.njb.uscourts.gov.