

Approved Credit Counseling Agencies

Arizona

**AZ
District of Arizona**

1\$ Wiser Consumer Education, Inc.

www.1dollarwiser.com

Main Address:

116 N. Second Street
Suite A
Krum, TX 76249
972-292-7279

Delivery Method:

Internet: www.1dollarwiser.com

**1st Choice Credit Counseling & Financial Education a/k/a
DBSM, Inc.**

www.mybknow.com

Main Address:

2049 Marco Drive
Camarillo, CA 93010
877-692-5669

Delivery Method:

Internet: www.mybknow.com or www.mybknowspanish.com English and Spanish
Telephone: 877-692-5669 English and Spanish

A 123 Credit Counselors, Inc

www.a123cc.com

Main Address:

703 Waterford Way (NW 62nd Ave.)
Suite 220
Miami, FL 33126
305-269-9201

Delivery Method:

Internet: www.a123cc.org English and Spanish
Telephone: 1-888-412-2123 English and Spanish
Internet/Telephone: www.a123cc.org / 888-412-2123 English and Spanish

Abacus Credit Counseling

www.abacuscc.org

Main Address:

15760 Ventura Boulevard
Suite 700
Encino, CA 91436
800-516-3834

Delivery Method:

Internet: www.abacuscc.org English and Spanish
Telephone: 800-516-3834 English and Spanish

Credit Card Management Services, Inc.

www.mybkcounseling.com

Main Address:

4611 Okeechobee Blvd.
Suite 114
West Palm Beach, FL 33417
800-920-2262

Delivery Method:

Internet:	www.debthelper.com	English and Spanish
Telephone:	800-920-2262	English and Spanish
Internet/Telephone:	debthelper.com / 800-920-2262	English and Spanish

Cricket Debt Counseling

www.cricketdebt.com

Main Address:

10121 SE Sunnyside Rd.
Suite 300
Clackamas, OR 97015
866-719-0400

Delivery Method:

Internet:	www.cricketdebt.com	English and Spanish
Telephone:	866-719-0400	English and Spanish

Debt Education and Certification Foundation

www.debt-foundation.org

Main Address:

112 Goliad Street
Suite D
Benbrook, TX 76126
866-859-7323

Delivery Method:

Internet:	www.debt-foundation.org	English and Spanish
Telephone:	866-859-7323	
Internet/Telephone:	www.debt-foundation.org / 866-859-7323	

Debt Management Credit Counseling Corp.

www.dmccc.org

Main Address:

700 W. Hillsboro Blvd
Building 1, Suite 105
Deerfield Beach, FL 33441
954-418-1466

Delivery Method:

Telephone: 888-777-0981

DebtorWise Foundation

www.debtorwise.org

Main Address:

14 Austin Park
Suite 100
Pittsford, NY 14534
585-385-6699

Delivery Method:

Internet:	www.debtorwise.org	English and Spanish
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InCharge Debt Solutions

www.bankruptcy.incharge.org

Main Address:

5750 Major Blvd
Suite 175
Orlando, FL 32819
866-729-0049

Delivery Method:

Internet: www.bankruptcy.incharge.org English and Spanish

InCharge Education Foundation, Inc.

www.inchargefoundation.org

Main Address:

5750 Major Blvd
Suite 310
Orlando, FL 32819
866-729-0049

Delivery Method:

Internet: www.personalfinanceeducation.com English and Spanish
Telephone: 1-866-729-0049

Institute for Financial Literacy, Inc.

www.financiallit.org

Main Address:

449 Forest Avenue
Portland, ME 04101
207-879-0389

Delivery Method:

Telephone: 866-662-4932
Internet/Telephone: www.financiallit.org / 866-662-4932

iPayDebt Financial Services, Inc. d/b/a Cornerstone Financial Education

www.ipaydebt.com

Main Address:

3011 North Lamar Boulevard
Austin, TX 78705
512-263-0532

Delivery Method:

Internet: www.csfedu.org
Internet/Telephone: www.csfedu.org / 800-336-1245

Money Management International, Inc.

www.moneymanagement.org

Main Address:

14141 Southwest Freeway
Suite 1000
Sugar Land, TX 77478-3494
(877) 964-2227

Delivery Method:

Internet: www.moneymanagement.org
Telephone: (877) 964-2227
In Person:

English and Spanish
English and Spanish

MMI
2615 N. 4th Street Suite 2
Flagstaff , AZ 86004
800-308-2227
English and Spanish (Printed Materials Only)

MMI
17235 N. 75th Avenue Suite C-125
Glendale , AZ 85308
800-308-2227
English and Spanish

MMI
1234 S. Power Road Suite 100
Mesa , AZ 85206
800-308-2227
English and Spanish (Printed Materials Only)

MMI
1717 E. Bell Road Suite 7
Phoenix , AZ 85308
800-308-2227
English and Spanish (Printed Materials Only)

MMI
722 E. Osborn Road Suite 210
Phoenix , AZ 85014
800-308-2227
English and Spanish (Printed Materials Only)

MMI
1215 Gail Gardener Way Suite B
Prescott , AZ 86305
800-308-2227
English and Spanish (Printed Materials Only)

MMI
950 West Elliot Road Suite 122
Tempe , AZ 85284
800-308-2227
English and Spanish

MMI
1607 N. Wilmont Road Suite 101-D
Tucson , AZ 85712
800-308-2227
English and Spanish

MMI
4732 N. Oracle Road Suite 217
Tucson , AZ 85705
800-308-2227
English and Spanish

MMI
2450 South Fourth Avenue Suite 500
Yuma , AZ 85364
800-308-2227
English and Spanish



The Basics

Bounce back fast after bankruptcy

Carefully rebuild your credit, and you could qualify for almost normal rates, even a mortgage, in a year or two. Here's what you need to do.

By [Liz Pulliam Weston](#)

Almost anyone can get credit soon after a bankruptcy. It's just a matter of knowing how.

It's true that bankruptcy deals a devastating blow to your credit and your credit score, the three-digit number lenders use to gauge your creditworthiness. But the effects don't have to be lasting.

Long before the bankruptcy drops off your credit report, you could be qualifying for loans with good rates and terms.

Nothing is forever

Ken from Chicago filed Chapter 7 liquidation after unemployment and overspending caused him to rack up more than \$20,000 in credit card and other unsecured debt. Four years later, his credit scores ranged from 655 to 719, decent numbers that are just below the cutoff to get most lenders' very best rates.

"I . . . applied for a secured credit card (usually reserved for people with troubled credit) and was informed that I qualified for an unsecured card -- a possibility I hadn't even considered," Ken said. "While I am going to be very careful with my new credit (card), I am heartened that creditors consider me an acceptable risk." If you're recently bankrupted, here are two things you need to keep in mind:

Nothing in credit is "forever." A bankruptcy legally can remain on your credit report for up to 10 years, but its effect on your credit score can start to diminish the day your case is closed -- if you adopt responsible credit habits such as paying your bills on time, using only a small portion of your available credit and not applying for too much credit at once.

You have to get and use credit to build your credit score. Living on a cash-only basis may be a smart choice for those who really can't handle credit. But if you want to rebuild your credit score, you can't sit on the sidelines.

Learn from your mistakes

Although repeat bankrupts show that getting credit after a Chapter 7 or 13 filing is possible, you shouldn't want to emulate those who file more than once.

At first glance, people who file more than one bankruptcy seem to be beating the system: They run up big bills and then walk away.

Video on MSN Money



Video: How's your credit?

Where to go to get free reports -- and how to interpret them when you've got one.

Think about it a little more, though, and you'll see these multiple bankrupts are really defeating themselves. Their debts and credit history often mean they're paying out big bucks in high interest payments during the time when they're prohibited from filing another bankruptcy. (The 2005 bankruptcy law provides that, under Chapter 7, eight years must elapse before you can refile. If you go for Chapter 13 after a Chapter 7, you must wait four years. Going from one Chapter 13 to another, two years must elapse.)

And most people can't file for Chapter 7 liquidation if they have significant assets to protect, such as home equity or savings. So these folks who are repeatedly going broke often have little to show for all the money that's leaving their pockets. Instead of building wealth over time, they're losing ground.

Instead, use your bankruptcy as a wake-up call to figure out what's wrong with your finances and fix it.

If your problem was overspending, you'll find plenty of information on this site about creating and sticking to a budget (see "[Your 5 minute guide to budgeting](#)").

If you didn't have enough savings to survive a job loss or other setback, get serious about establishing an emergency fund.

If you were sunk by medical bills, seek a job with insurance coverage or check to see if your state offers coverage.

Clean up your credit report

One common problem people emerging from bankruptcy often face is that credit reports frequently show accounts as open and overdue -- when in fact they were closed and the obligations wiped out as part of the bankruptcy.

If you encounter this, you need to contact the credit bureaus and insist that those accounts be properly reported as "included in bankruptcy." It's the only way your credit can recover.

If you have other serious mistakes on your credit report, those need to be corrected as well. Your credit score is based on information in your credit report, so errors on your report can seriously dampen your score.

Get a secured credit card

You need two types of credit to quickly rebuild your credit score:

Installment: auto loans, student loans or mortgages

Revolving: credit cards or home equity lines of credit

Continued: Light credit card use builds credit

Most recent bankrupts have trouble qualifying for a regular, unsecured credit card. So the best solution usually is a secured card, which generally gives you a credit limit that's equal to an amount you deposit at the issuing bank.

Typically, that's \$200 to \$500, which may seem like a pittance compared with the credit limits you enjoyed before your bankruptcy. But don't make the mistake of using your available credit. *Maxing out your credit cards hurts your credit score.*

You don't want to charge more than 30% or so of your credit limit, and you want to pay the balance off in full each month. *Light, regular use of a credit card* is what helps build your credit.

And contrary to what you might have heard, you typically don't need to carry a balance or pay credit card interest to build your score, since the leading credit scoring formula doesn't distinguish between balances that are paid off and balances that are carried month to month. Get in the habit now of not charging more than you can pay off every month; your credit score and your finances will be the better for it.

You also shouldn't grab just any secured card. Look for the following:

No application fee and reasonable annual fee. Some secured cards tack huge upfront and annual charges onto their accounts; you don't need to pay these to build your credit.

Reports to the major credit bureaus. You're not doing your credit score any good unless your payment history is being reported to the three major bureaus: Equifax, Experian and TransUnion. Before you apply for a card, call and ask if the issuer regularly reports to all three.

Converts to an unsecured card after 12-18 months of on-time payments. Good behavior should get you upgraded to a regular credit card

within a year or two.

Get an installment loan

If you still have student loans (which typically aren't dischargeable in bankruptcy), you can use them to rebuild your score. Make your payments on time, all the time, and try to pay more than you owe whenever possible. Next to making on-time payments, paying down your existing debt is one of the best ways to improve your credit score.

Ken of Chicago took this to heart, making double or triple the minimum payments required to retire his \$23,500 student loan debt within three years of his bankruptcy filing.

"The fact that I had to repay my student loans (rather than having them discharged) might have helped me in the long run," he said.

It's unlikely in the current credit climate, but you may be able to qualify for a high-rate mortgage as little as six months after a bankruptcy. You're probably better off waiting until you can qualify for an FHA loan, though. You can typically get one just two years after your bankruptcy case has closed, as long as you've maintained good credit habits since then. FHA loans have interest rates that are usually only half a percentage point higher than regular mortgage rates.

Just make sure you really can afford a home before you buy one. Many people wind up in bankruptcy court because they stretched too far to buy a house and can't keep up with all the attendant costs of homeownership, said bankruptcy expert Elizabeth Warren of Harvard University. (See "[Don't bite off too much house](#)" for more details.)

Video on MSN Money



Video: How's your credit?

Where to go to get free reports -- and how to interpret them when you've got one.

Auto loans can also help you rebuild your credit -- just be prepared to pay nose-bleeding rates at first.

"My first vehicle out of bankruptcy (had an interest rate of) 21%," said Chance Nelson of Indianapolis, who applied for the loan just a few months after his debts were discharged. "After paying this for about two years, I went and traded it in and purchased another (at) 13.99%."

Nelson refinanced this second loan a year later at 7.95%. Five years after his bankruptcy filing, Nelson was paying a reasonable 6% rate for his auto loan.

If you go this route, try to make a big down payment and choose a loan that doesn't have a prepayment penalty. That way, you can refinance the car to a lower interest rate as your credit improves.

Liz Pulliam Weston's latest book, "[Easy Money: How to Simplify Your Finances and Get What You Want Out of Life](#)," is now available. Columns by Weston, the Web's most-read personal-finance writer and winner of the 2007 Clarion Award for online journalism, appear every Monday and Thursday, exclusively on MSN Money. She also answers reader questions on the [Your Money message board](#).

Updated Feb. 11, 2009

**YOU MUST READ THIS ENTIRE PAGE
BEFORE MEETING WITH THE ATTORNEY FOR YOUR INITIAL CONSULT**

WITHIN 90 DAYS BEFORE FILING BANKRUPTCY:

1. No Payment for any debt unless it is a debt on property that has a lien [and only then if you intend to keep the property].
 - a. So, no payment on any credit card debt.
 - b. No payments to anyone related to you [by blood or marriage] for any unsecured debts or loans.
2. No credit use, period. This means no credit card charges [debit card use is OK], no cash advances on credit lines or credit cards & no pay day loans.
3. No transfer or sale of any of your property to anyone for LESS THAN FAIR MARKET VALUE.
 - a. If the transfer or sale of property is to someone related to you by blood, marriage, partnership, or ownership in stock, etc., the FAIR MARKET VALUE rule is in effect for 12 months before your bankruptcy filing.
 - b. BEFORE any such sale or transfer is contemplated, you shall FIRST document and establish what the fair market value of the thing is, in writing, from a source who deals regularly in the such property. Then, that property may be sold or transferred for NOT FOR LESS THAN THE FAIR MARKET VALUE.

ON THE DATE YOUR BANKRUPTCY IS FILED WITH THE COURT:

1. The Trustee in Bankruptcy is entitled to all of the cash assets you have on the date of filing except for \$150.00 [if married, \$300.00]. Therefore, you must reduce all of your bank accounts [savings, checking, CD] and cash on hand combined to no more than \$150.00 [if married, \$300.00] total.
 - a. Any funds in excess of the rule's amount must be turned over to the Trustee.
 - b. After the filing of your case, the amounts then placed in your accounts is not important. You can then return to business as usual after the case is filed.
2. Bankruptcy Financial Education Classes - BEFORE your case may be filed, the Court requires you complete an on line or on telephone class. The website address for the class providers are on your fees & costs estimate provided to you at your interview. One class must be completed before the case is filed and a second class completed within 60 days after your case is filed. The court permits the provider of these classes to charge you a fee, but the fee may not exceed \$50.00 per class.

AFTER YOUR CASE HAS BEEN FILED

1. After your case is filed, you must provide your attorney's office with the documents and answers to the Trustee's Letter that is provided to you. Your failure to complete and return these documents when due can result in your case being continued or even dismissed.
2. Within 45 days after your file the bankruptcy petition, a meeting is set for you to meet with the U.S. Bankruptcy Trustee in your case. Your attorney WILL BE PRESENT with you at this meeting. The Trustee's meeting is conducted in Bullhead City at the Mohave County Superior Court Facility at 2225 Trane Road, Bullhead City, AZ. **YOU MUST BE PRESENT AT THIS MEETING OR YOU RISK YOUR BANKRUPTCY CASE BEING DISMISSED.**

Do's & Don'ts Before Bankruptcy

If the wolves are circling, but you aren't sure that you will have to file bankruptcy, there are some Do's and Don'ts which may protect some of your property if you do eventually have to eventually have to file.

Do continue making payments on vehicles which you intend to keep. Creditors secured by a car or truck can usually repossess the vehicle without notice to you anytime you are in default in your payments. It will ordinarily take longer for other creditors (including those secured by other property) to act on a debt that is in default.

Note: If your car has been repossessed but not yet sold, you may be able to get it back if you file Chapter 13 immediately.

Don't borrow from or withdraw 401k, IRA, and ERISA qualified savings and retirement plans to pay bills. Early withdrawal of these funds makes you liable for penalties and taxes which may not be discharged in bankruptcy. ERISA and 401K funds are exempt from creditors in bankruptcy, as are IRA funds in Arizona (except deposits made within one hundred twenty day before filing) and many other states. If you don't use these funds, you are very likely to have them to draw on after bankruptcy. [ARS §33-1126-C]

Don't borrow money on your home to pay bills. In Arizona, you can claim up to \$150,000 equity in your home as exempt. (Many other states have similar exemptions.) This means you can go through bankruptcy, and still have this equity. If you take out a second mortgage on your home, you may be converting debt which would have been discharged in bankruptcy into debt which you will still have to pay in order to keep your home. These additional payments could be high enough to cause you to lose your home.

Do give "friendly" creditors a security interest in non-exempt property. If you have to borrow money from a friend or relative you could give that creditor a security interest in the property which you own. For example, if you have a car which is not exempt and you are borrowing money from a relative, he or she could take a security interest in the car for the loan. This will reduce your equity in the car, and the likelihood that the trustee will take the car. It will also protect your relative by insuring that they will be paid from the proceeds if the trustee does take the car since he must pay off creditors secured by property which he takes. **Caution:** The loan must be a legitimate transaction (you must actually receive the money), and the security interest for a previous loan. Giving a security interest for an existing loan could be a transfer of a property interest in fraud of other creditors which could result in a denial of your discharge. [§ 727]. All laws and formalities regarding secured transactions must be followed, such as placing the creditor's name on the title for loans secured by vehicles and the recording of a deed of trust for loans secured by real property.

Don't pay \$600 or more back to relatives or business associates who have lent you money. Payment of a total of \$600 or more to an "insider" (which includes relatives and business associates) within **one year** before you file bankruptcy is a "preference." The trustee may recover preferences from the person that was paid and divide the money between all of your creditors. In Chapter 13, you may have to increase the amount of your plan payments to cover the preference. (Payment of \$600 or more to any other unsecured, non-priority creditor with 90 days before the case is filed may also be a preference.) [§ 547]

Don't put property you own into someone else's name to avoid it being taken by creditors or the trustee. That kind of transfer is a fraud on creditors and can result in your discharge being denied [§ 727]. In addition, the trustee can take the property from the person to whom it was transferred [§ 548].

Do reduce the amount of future income tax refunds. Federal and state tax refunds are routinely taken in Chapter 7 cases, and may affect plan payments in Chapter 13. If you expect to get an income tax refund, reduce your withholding so that you do not get refund. If much of the refund is due to Earned Income Tax Credit, apply to get that refund as a part of your regular pay. (Complete Form W-5, Earned Income Credit Advance Payment Certificate, available at www.irs.gov/pub/irs-fill/fw5.pdf or through your employer. For more information, see the IRS web page Advance Earned Income Tax Credit Questions and Answers.) **Caution:** Don't reduce the withholding for tax so much that you will have a big tax bill to pay!

Don't Make any cash withdraw or advances on credit cards or lines of credit. Such conduct done within a certain time before filing bankruptcy. That charge can become a non-dischargeable debt if your creditor raises an objection. The best rule is just don't use credit cards or lines of credit within 90 days of filing bankruptcy.

Don't Sell or otherwise transfer any of your property to anyone unless you have first documented [in writing] that the sales price is **fair market value and that the actual sale payment was for not less than fair market value.** Proceeds from such sales can be used for payment of property that have a lien or other security interest, for bankruptcy attorney fees and costs and for the reasonable and necessary expenses of living-and nothing else.

Do Make payments on and keep current on any loan on property that you intend to keep after bankruptcy. In order to keep property that has a lien on it, you must be current on the date the bankruptcy is filed [and continue to stay current throughout the bankruptcy and thereafter].

Do File all required tax returns on or before the date they are due. Failure to pay the taxes owed is not against the law. Failure to report income is a crime. You are not eligible to obtain bankruptcy protection unless all due returns have been filed.

STATE	1 EARNER	FAMILY SIZE		
		2 PEOPLE	3 PEOPLE	4 PEOPLE *
ALABAMA	\$40,120	\$49,163	\$52,215	\$64,700
ALASKA	\$53,804	\$71,624	\$82,199	\$88,373
ARIZONA	\$42,107	\$55,118	\$55,654	\$61,023
ARKANSAS	\$36,505	\$46,333	\$49,494	\$56,591
CALIFORNIA	\$48,415	\$63,030	\$67,401	\$75,656
COLORADO	\$49,549	\$65,631	\$72,259	\$88,787
CONNECTICUT	\$58,337	\$72,878	\$86,390	\$102,530
DELAWARE	\$48,284	\$62,707	\$73,284	\$85,150
DISTRICT OF COLUMBIA	\$50,186	\$81,960	\$81,960	\$81,960
FLORIDA	\$41,915	\$51,780	\$54,934	\$65,280
GEORGIA	\$41,214	\$51,954	\$56,189	\$67,214
HAWAII	\$49,919	\$63,896	\$76,001	\$84,690
IDAHO	\$41,785	\$49,896	\$50,506	\$62,322
ILLINOIS	\$47,485	\$59,851	\$68,721	\$80,776
INDIANA	\$42,089	\$52,618	\$59,916	\$70,763
IOWA	\$42,207	\$58,852	\$64,552	\$78,366
KANSAS	\$42,577	\$56,851	\$65,907	\$76,402
KENTUCKY	\$40,020	\$46,815	\$55,613	\$67,783
LOUISIANA	\$37,967	\$47,731	\$55,863	\$70,347
MAINE	\$41,488	\$53,227	\$60,425	\$79,931
MARYLAND	\$58,269	\$73,685	\$87,206	\$108,915
MASSACHUSETTS	\$55,602	\$67,443	\$82,495	\$103,624
MICHIGAN	\$45,029	\$52,621	\$61,715	\$73,864
MINNESOTA	\$48,097	\$63,654	\$76,909	\$89,126
MISSISSIPPI	\$36,240	\$43,095	\$46,062	\$59,248
MISSOURI	\$41,092	\$51,784	\$59,549	\$72,150
MONTANA	\$42,301	\$54,362	\$56,977	\$67,055
NEBRASKA	\$41,851	\$59,543	\$67,235	\$77,057
NEVADA	\$44,924	\$65,674	\$65,674	\$66,562
NEW HAMPSHIRE	\$52,588	\$65,830	\$82,924	\$98,457
NEW JERSEY	\$61,145	\$69,697	\$85,016	\$103,766
NEW MEXICO	\$38,349	\$51,965	\$51,965	\$61,617
NEW YORK	\$47,790	\$59,308	\$69,062	\$83,209
NORTH CAROLINA	\$40,710	\$51,812	\$56,339	\$64,983
NORTH DAKOTA	\$41,557	\$61,492	\$68,688	\$86,653
OHIO	\$42,814	\$53,218	\$60,960	\$74,270
OKLAHOMA	\$40,665	\$51,575	\$53,500	\$64,374
OREGON	\$43,180	\$55,057	\$62,202	\$67,315
PENNSYLVANIA	\$47,439	\$55,210	\$68,848	\$82,078
RHODE ISLAND	\$46,896	\$61,607	\$76,864	\$83,785
SOUTH CAROLINA	\$39,238	\$50,548	\$53,532	\$61,388
SOUTH DAKOTA	\$38,071	\$57,188	\$65,829	\$79,960
TENNESSEE	\$39,891	\$48,617	\$55,080	\$66,038
TEXAS	\$41,225	\$55,895	\$60,503	\$67,296
UTAH	\$50,976	\$66,089	\$83,430	\$89,590
VERMONT	\$46,019	\$61,702	\$87,774	\$85,750
VIRGINIA	\$53,328	\$65,930	\$77,585	\$91,661
WASHINGTON	\$52,724	\$65,123	\$71,269	\$83,270
WEST VIRGINIA	\$41,499	\$44,536	\$54,790	\$66,756
WISCONSIN	\$43,661	\$58,668	\$65,775	\$81,296
WYOMING	\$45,336	\$63,193	\$73,688	\$78,733

* For cases filed on or before March 31, 2013, add \$7,500 for each individual in excess of 4.
 For cases filed on or after April 1, 2013, add \$8,100 for each individual in excess of 4.

COMMONWEALTH OR U.S. TERRITORY	1 EARNER	FAMILY SIZE		
		2 PEOPLE	3 PEOPLE	4 PEOPLE *
GUAM	\$38,410	\$45,925	\$52,334	\$63,331
NORTHERN MARIANA ISLANDS	\$25,793	\$25,793	\$30,008	\$44,137
PUERTO RICO	\$22,392	\$22,392	\$23,537	\$28,180
VIRGIN ISLANDS	\$30,475	\$36,627	\$39,052	\$42,765

* For cases filed on or before March 31, 2013, add \$7,500 for each individual in excess of 4.
 For cases filed on or after April 1, 2013, add \$8,100 for each individual in excess of 4.

FRIDAY, MARCH 1, 2013 4:43 PM

U.S. DEPARTMENT OF JUSTICE 333 Constitution Avenue, NW, Washington, DC 20530-0001

JUSTICE.GOV

ABOUT
 The Attorney General
 Budget & Performance

RESOURCES
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CAREERS
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 Interns, Recent Graduates,
 and Fellows

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For Employees
 Office of the Inspector
 General

Classifying Your Tax Debt

If...	Your tax debt is...
<p>All of the following are true:</p> <ul style="list-style-type: none"> • the tax year for which you owe taxes ended more than three years before the date you plan to file your bankruptcy case • you properly filed your tax return (if the IRS filed a Substitute for Return for you, it doesn't count unless you agreed and signed the substitute return for the year in question at least two years before filing for bankruptcy) • the IRS has not assessed the taxes against you within 240 days before you plan to file your bankruptcy case, and • the IRS has not recorded a Notice of Federal Tax Lien with your county land records office. 	<p>Dischargeable, meaning you can completely eliminate your income tax debt, and the interest and penalties associated with it.</p>
<p>The IRS has recorded a Notice of Federal Tax Lien.</p>	<p>Secured, meaning you may be able to discharge your personal liability in bankruptcy, but the lien remains. If you don't pay off the entire debt during your case, the IRS can seize property you owned before filing to cover the rest. Practically speaking, the IRS looks to collect from real estate and retirement plans.</p>
<p>Your tax debt is not dischargeable or secured.</p>	<p>Priority, which means that it must be paid in full in your Chapter 13 plan.</p>
<p>Both of the following are true:</p> <ul style="list-style-type: none"> • your tax debt is not dischargeable or secured, and • the IRS has recorded a Notice of Federal Tax Lien, but your property won't cover what you owe the IRS. 	<p>Undersecured (if you have no seizable assets) or partially undersecured (if you have some). The undersecured portion is dischargeable if the first three conditions listed above for dischargeable taxes are met.</p>

agrees, it will give you the choice of having your case dismissed or converted to Chapter 13. If you consent to the conversion, the court will order it.

To remain in Chapter 13, you will have to file a confirmable plan within 15 days of the conversion, start making payments on the plan within 30 days after you file it, and otherwise comply with the eligibility requirements unique to Chapter 13 (see Ch. 3 for more on these requirements).



You may not be eligible for either type of bankruptcy. It's entirely possible to be kicked out of Chapter 7 because your income is too high, then be unable to come up with a Chapter 13 repayment plan that's acceptable to the judge. In other words, there may be no bankruptcy remedy for you. For instance, you may get tossed out of Chapter 7 because your current monthly income was too high when you filed. If, however, you don't have a steady income by the time you convert to Chapter 13, your plan won't be confirmed. If you find yourself in this situation, talk to a lawyer right away. ■

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA**

TUCSON DIVISION
James A Walsh Courthouse
38 S. Scott Avenue
Tucson, AZ 85701
520-202-7500

PHOENIX DIVISION
Federal Building & U.S. Courthouse
230 N. First Ave., Suite 101
Phoenix AZ 85003
602-682-4000

YUMA DIVISION
U.S. Bankruptcy Court
325 W. 19th St., Suite D
Yuma, AZ 85364
928-783-2288

www.azb.uscourts.gov

CHAPTER 7

A bankruptcy case is started with the filing of a petition identifying the chapter. All documents must be filed on official forms which can be found on the court's website, www.azb.uscourts.gov or on www.uscourts.gov/bankruptcy. Other helpful information is also available on these websites. Filing bankruptcy can be a complex legal process and you are advised to seek competent bankruptcy counsel before filing a petition.

THE FOLLOWING DOCUMENTS, IF THEY WERE NOT FILED WITH THE BANKRUPTCY PETITION, ARE REQUIRED TO BE FILED NO LATER THAN 7 DAYS FROM THE DATE THE PETITION WAS FILED. IF ANY OF THESE DOCUMENTS ARE NOT FILED WITHIN THAT TIME, YOUR CASE COULD BE DISMISSED.

1. Mailing List of Creditors
2. Statement of Social Security Number
3. Credit Counseling Certificate. You may check the following web site for approved providers, www.usdoj.gov/ust or call 602-682-4000. The credit counselor will provide you the certificate you need to file with the court.

THE FOLLOWING DOCUMENTS, IF THEY WERE NOT FILED WITH THE BANKRUPTCY PETITION, ARE REQUIRED TO BE FILED NO LATER THAN 14 DAYS FROM THE DATE THE PETITION WAS FILED. IF ANY OF THESE DOCUMENTS ARE NOT FILED WITHIN THAT TIME, YOUR CASE COULD BE DISMISSED.

1. Schedules A through J and Summary
2. Statement of Financial Affairs
3. Statement of Intention; file only when debts are secured by property
4. Individual Debtor Statement of Current Monthly Income and Means Test Calculation
5. Declaration of Evidence of Employers' Payments Within 60 Days

PREVIOUS BANKRUPTCY FILINGS

If you had a previous case pending within the preceding year that was dismissed, you are advised that pursuant to 11 USC Section 362(c)(3), the automatic stay provided by Section 362(a) when the bankruptcy petition is filed will terminate 30 days after the filing of your petition. You may file a motion with the court seeking a continuation of the automatic stay and you will need to demonstrate that the second case was filed in good faith. If you file a motion, please caption it as an Emergency Motion.

If you had two or more previous cases pending within the preceding year that were dismissed, you are advised that pursuant to 11 USC Section 362(c)(4), no stay under Section 362(a) went into effect when your petition was filed. To obtain a stay, you must file a motion, within 30 days of the date of the filing of the petition, and demonstrate that the new case was filed in good faith. If you file this motion, please caption it as an Emergency Motion.

COMPLETION OF INSTRUCTIONAL COURSE CONCERNING PERSONAL FINANCIAL MANAGEMENT

Subject to limited exceptions, an individual debtor must complete an instructional course in personal financial management before a discharge can be entered by the court. You must complete and file a Debtor's Certification of Completion of Instructional Course Concerning Personal Financial Management on the official form. This form is required to be filed within 60 days after the first date set for the meeting of creditors. Failure to file the certification could result in your case being closed without entry of your discharge. If your case is closed without entry of a discharge, to reopen the case to obtain your discharge, you could be required to pay a reopening fee of \$260.00.

You may check the following web site for approved providers, www.usdoj.gov/ust or call 602-682-4000.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA**

TUCSON DIVISION
James A Walsh Courthouse
38 S. Scott Avenue
Tucson, AZ 85701
520-202-7500

PHOENIX DIVISION
Federal Building & U.S. Courthouse
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YUMA DIVISION
U.S. Bankruptcy Court
325 W. 19th St., Suite D
Yuma, AZ 85364
928-783-2288

www.azb.uscourts.gov

CHAPTER 13

A bankruptcy case is started with the filing of a petition identifying the chapter. All documents must be filed on official forms which can be found on the court's website, www.azb.uscourts.gov or on www.uscourts.gov/bankruptcy. Other helpful information is also available on these websites. Filing bankruptcy can be a complex legal process and you are advised to seek competent bankruptcy counsel before filing a petition.

THE FOLLOWING DOCUMENTS, IF THEY WERE NOT FILED WITH THE BANKRUPTCY PETITION, ARE REQUIRED TO BE FILED NO LATER THAN 7 DAYS FROM THE DATE THE PETITION WAS FILED. IF ANY OF THESE DOCUMENTS ARE NOT FILED WITHIN THAT TIME, YOUR CASE COULD BE DISMISSED.

1. Mailing List of Creditors
2. Statement of Social Security Number
3. Credit Counseling Certificate. You may check the following web site for approved providers, www.usdoj.gov/ust or call 602-682-4000. The credit counselor will provide you the certificate you need to file with the court.

THE FOLLOWING DOCUMENTS, IF THEY WERE NOT FILED WITH THE BANKRUPTCY PETITION, ARE REQUIRED TO BE FILED NO LATER THAN 14 DAYS FROM THE DATE THE PETITION WAS FILED. IF ANY OF THESE DOCUMENTS ARE NOT FILED WITHIN THAT TIME, YOUR CASE COULD BE DISMISSED.

1. Schedules A through J and Summary
2. Statement of Financial Affairs
3. Individual Debtor Statement of Current Monthly Income
4. Declaration of Evidence of Employers' Payments Within 60 Days
5. Chapter 13 Plan (Model Plan Form 13-2 available from website)

PREVIOUS BANKRUPTCY FILINGS

If you had a previous case pending within the preceding year that was dismissed, you are advised that pursuant to 11 USC Section 362(c)(3), the automatic stay provided by Section 362(a) when the bankruptcy petition is filed will terminate 30 days after the filing of your petition. You may file a motion with the court seeking a continuation of the automatic stay and you will need to demonstrate that the second case was filed in good faith. If you file a motion, please caption it as an Emergency Motion.

If you had two or more previous cases pending within the preceding year that were dismissed, you are advised that pursuant to 11 USC Section 362(c)(4), no stay under Section 362(a) went into effect when your petition was filed. To obtain a stay, you must file a motion, within 30 days of the date of the filing of the petition, and demonstrate that the new case was filed in good faith. If you file this motion, please caption it as an Emergency Motion.

COMPLETION OF INSTRUCTIONAL COURSE CONCERNING PERSONAL FINANCIAL MANAGEMENT

Subject to limited exceptions, an individual debtor must complete an instructional course in personal financial management in order to receive a discharge under chapter 13. You must complete and file a Debtor's Certification of Completion of Instructional Course Concerning Personal Financial Management on the official form. This form must be filed before a discharge can be entered. This form is required to be filed no later than your last payment under your chapter 13 plan. Failure to file the certification could result in your case being closed without entry of your discharge. To reopen the case to obtain your discharge, you could be required to pay a reopening fee of \$235.00.

You may check the following web site for approved providers, www.usdoj.gov/ust or call 602-682-4000.

ARIZONA EXEMPTIONS (effective September 13, 2013)

(Use of federal bankruptcy exemptions in 11 U.S.C. 522(d) not permitted in Arizona. See A.R.S. § 33-1133.) The IRS can lien all the items on this page. The homestead exemption is capped at \$150,000 per home (A.R.S. § 33-1104). In order to qualify for a homestead the residence must be your primary residence. Community property liability: A.R.S. § 25-214 & 215. With the exception of the single homestead exemption, each adult has a separate exemption (A.R.S. § 33-1121.01). Therefore, \$6,000 in household furnishings is doubled for two adults in the house. The dollar amounts listed below is the resale value of the asset(s), not retail value. Items not on this list are not protected from your creditors. Nor are items on this list protected from creditors that you have granted a lien interest to – Deed of Trust on the home or security interest in personal property (charging your refrigerator on Sears card.)

TYPE OF PROPERTY	AMOUNT OF EXEMPTION	STATUTE
Homestead, consisting of debtor's equity in real property used as residence. 1 apartment of horizontal property regime, or mobile home and land upon which located.	\$150,000 (as of 8/25/04) – as against nonconsensual liens. Total exemption of \$150,000 for both spouses. Applies to identifiable cash proceeds of homestead sale for 18 months after sale. In bankruptcy – may be limited – see 11 § 522(p)	A.R.S. § 33-1101; A.R.S. § 33-1104 – consensual liens. Excluded; A.R.S. § 33-1102 (recording not required)
Household furniture, furnishings, household goods, including consumer electronic devices, and household appliances personally used by the debtor or a dependent of the debtor, not otherwise specifically prescribed in this chapter.	\$6,000 aggregate value	A.R.S. § 33-1123
One single bank account.	\$300	
Food, fuel and provisions for 6 months used by Debtor & family	100%	A.R.S. § 33-1126(A)(9) A.R.S. § 33-1124
Wearing apparel	\$500	
Musical instruments of Debtor and family	\$400	A.R.S. § 33-1125(1)
Domestic pets, horses, milk cows and poultry	\$800	A.R.S. § 33-1125(2) A.R.S. § 33-1125(3)
Engagement and Wedding rings	\$2,000	A.R.S. § 33-1125(4)
Library	\$250	A.R.S. § 33-1125(5)
Typewriter, one computer, bicycle, sewing machine, family bible, burial lot, rifle, shotgun or pistol.	\$1,000	A.R.S. § 33-1125(7)
Watch	\$150	A.R.S. § 33-1125(6)
Motor Vehicle - equity in vehicle	\$6,000 or \$12,000 if Debtor or Debtor's dependent is physically disabled	A.R.S. § 33-1125(8)
Wheel Chair and prescribed health aids	100%	A.R.S. § 33-1125(9)
*Interest in retirement plan qualified under Internal Revenue Code §§ 401(a), 403(a)(b), 408, 408(a), 409, 457 (deferred comp)	100% (except contributions within 120 days before filing petition)	A.R.S. § 33-1126(B)
Prepaid rent and security deposits for Debtor's residence	\$2,000	A.R.S. § 33-1126(C)
Life Insurance proceeds paid or payable to surviving Spouse or child.	\$20,000	A.R.S. § 33-1126(A)(1)
Earning of minor child	100%	
One single bank account.	\$300	A.R.S. § 33-1126(A)(2)
Health, accident or disability insurance	100% (certain debts excepted)	A.R.S. § 33-1126(A)(9) A.R.S. § 33-1126(A)(4)

TYPE OF PROPERTY	AMOUNT OF EXEMPTION	STATUTE
Insurance proceeds for damage or destruction of exempt property	100% of exemption given for damaged or destroyed property.	A.R.S. § 33-1126(A)(5)
Cash surrender value of life insurance policies must be owned by the debtor (for at least two unexpired continuous years).	100% (beneficiary must be a dependent)	A.R.S. § 33-1126(A)(6)
Damages for wrongful levy or execution	100%	A.R.S. § 33-1126(A)(8)
Annuity (owned by DEBTOR for at least 2 years, beneficiary must be minor and dependant family member) Warning: some annuity companies list themselves as owner	100%	A.R.S. § 33-1126(A)(7)
Necessary tools, equipment, instruments, marketing tools, phone numbers, intangible work produce used in business or profession.	\$5,000 (does not include personal motor vehicle)	A.R.S. § 33-1130(1)
Machinery, utensils, fee, grain, seed and animals of farmer.	\$2,500 (primary income from farming)	A.R.S. § 33-1130(2)
Arms, uniforms/accoutrements required by law	100%	A.R.S. § 33-1130(3)
Net disposable earnings (less deductions required by law) includes pension and retirements payment.	75% or 30 X the federal minimum hourly wage, per week, whichever is greater. Doesn't apply to child support.	A.R.S. § 33-1131
Unemployment compensation benefits	100%	A.R.S. § 23-783
Workmen's compensation benefits	100%	A.R.S. § 23-1068
Welfare assistance	100%	A.R.S. § 46-208
Long Term Disability Program Benefits	100%	A.R.S. § 38-797.11
Child support or maintenance	100%	A.R.S. § 33-1126(A)(3)
Firemen's relief and pension benefits	100%	A.R.S. § 9-968
Police pension benefits	100%	A.R.S. § 9-931
Teacher's retirement benefits	100%	A.R.S. § 43-1201
State employee's retirement benefits	100%	A.R.S. § 38-792
Correction Officer Retirement Plan	100%	A.R.S. § 38-897
Public Safety Personnel Retirement	100%	A.R.S. § 18-850(c)
Arizona Ranger Benefits	100%	A.R.S. § 41-955
Fraternal Benefit Society benefits	100%	A.R.S. § 20-881
School Equipment used to teach	100%	A.R.S. § 33-1127
Firefighting equipment	100%	A.R.S. § 33-1128
Property that belongs to the public	100%	A.R.S. § 33-1129
Social Security (protected in bank account if NOT co-mingled) NOTE: Exceptions are set forth in next column – garnishment could be 65% of government benefits can be garnished, then the balance garnished once deposited into bank account.	100% - except: (1) enforce child support or alimony - 42 USC 65(2) court-ordered victim restitution - 18 USC 3613(3) unpaid federal taxes - 26 USC 6334(c)(4) current year federal income tax - 26 USC 3402 (P)(5) some other debts - see Debt Collection Act of 1996	42 U.S.C. § 407(a), SEC 207
VA Benefits	100%	38 USC § 5301(a)(1)