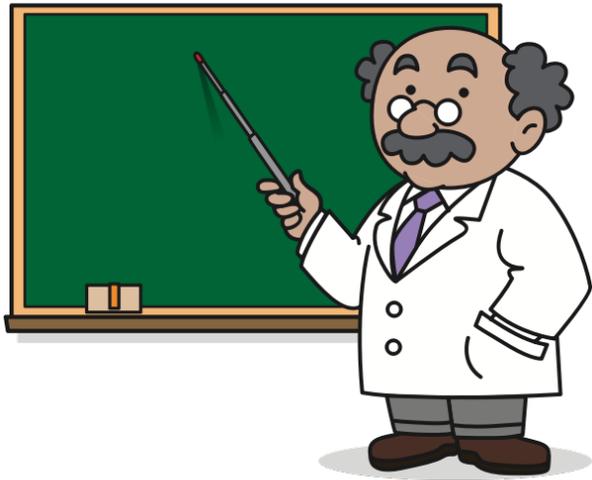


# BANKRUPTCY 101



This material is intended to provide you with a broad overview of bankruptcy procedure and related key terms, and to give you general information about things to consider when determining whether to file for bankruptcy.



## What is bankruptcy?

- ❖ **Bankruptcy** is the **legal process** of resolving financial debts following a **formal declaration** that one's debts exceed the value of assets available for repayment. It allows a person to resolve their debts in a single proceeding instead of many. Although both individuals and businesses may declare bankruptcy, the information contained here concerns only **individual bankruptcy**.
- ❖ A **case trustee** is appointed for each bankruptcy case. The trustee helps facilitate the bankruptcy process by collecting information about the debtor's financial situation and ability to repay debts and ensures that creditors rights are protected.
- ❖ **The Court** acts as the neutral moderator between the petitioner and all other interested parties. The debtor has a duty to be transparent with the Court about their financial status, property, and outstanding obligations.



## To file or not to file?: Where to start

- ❖ When filing for bankruptcy, individuals are represented either by **counsel** (attorney) or represent themselves (**pro se**). For optimal success in a bankruptcy proceeding, it is ideal to hire an attorney with bankruptcy experience. Attorneys can offer you **legal advice** about whether filing for bankruptcy is in your best interest and will be well versed on the **U.S. Bankruptcy Code** and **Federal Rules of Bankruptcy Procedure**, which together act as the "rule book" for when, where, and how to file bankruptcy.
- ❖ If you would like to speak with an attorney regarding your recent or upcoming bankruptcy petition, free 30-min sessions are available through the **St. Louis Bankruptcy Pro Se Assistance Program**. To schedule an appointment, you may call **1-844-758-4059** or schedule online at **www.bamsl.org/bankruptcy**.

## Filing for bankruptcy: What's the purpose?

- ❖ The purpose of a bankruptcy proceeding is to give the debtor **a fresh financial start** or **clean slate**.
- ❖ A bankruptcy proceeding begins when an individual files a **bankruptcy petition**. In this petition, the individual acknowledges a belief that their debts (money owed) are greater than their assets (money or property that can be used to repay those debts).
- ❖ In such cases, an individual is unable to repay all or a portion of their debt(s) and asks the Court for help.
- ❖ A successful bankruptcy petition and proceeding will enable the petitioner to have all, or a portion of their debts **discharged** by the Court.

