

Norwell Office
167 Washington Street
Norwell, MA 02632
781.660.8665



Cape Cod Office
1550 Falmouth Road, Ste 10
Centerville, MA 02632
866.263.5972



QUIZ: CAN YOU HANDLE YOUR OWN BANKRUPTCY?

You are allowed to represent yourself in either Chapter 7 or Chapter 13 bankruptcy. However, filing your own bankruptcy case is not always a good idea. Bankruptcy is a very specialized area of law with complicated rules. It's easy to make a costly mistake.

Representing yourself makes the most sense if you have a simple Chapter 7 bankruptcy case. If you need or want to file under Chapter 13, or if your Chapter 7 case is complicated, you are better off hiring an attorney.

This six question quiz will help you determine whether you are a candidate for self-representation, or if your case is likely too complex to handle without an attorney's help. Be sure to answer all six questions to get a complete assessment of your case.

QUESTION 1 | YOUR INCOME

Is your family's income at or below the median income of a household your size in your state? You can access a chart with the median income of each state for households of different sizes on the US Trustee's website, <https://www.justice.gov/ust/means-testing>.

- A. Yes.**
- B. No.**

If you answered A, your income is at or below the state median for households your size—

If your family's income is below the median income of a household your size in your state, you qualify to file under Chapter 7. You could be a candidate for handling your own bankruptcy. Continue through the rest of the quiz to see if there may be reasons why your case is too complex to be handled without legal help.

If you answered B, your income is above the state median for households your size—

If your income is above the median income of a household your size in your state, you will probably need to complete the "means test" to determine whether you are eligible for Chapter 7 or need to file under Chapter 13. Some filers are exempt from the means test because most of their debts are business debts or they have recent military service.

The means test requires you to fill out some forms that ask about your income and expenses and then make calculations using the information entered. The test is tricky to complete. If you make a mistake and file under the wrong chapter, it could cost you time and money. Your case could even be dismissed. An attorney can help you avoid mistakes.

QUESTION 2 | YOUR PROPERTY

Which of the following better describes your assets?

- A.** I have assets of modest value. (Basically, this means you have only the following types of assets: clothing; household furnishings; a modest vehicle; a retirement account; and a home with little to no equity.)
- B.** I have assets of substantial value. (In addition to clothing and household furnishing, you own one or more of the following items: a home with significant equity or a second home; stocks, bonds, mutual funds, real estate, or other investments; business interests; valuable jewelry, art, antiques, or collectables; a luxury vehicle or more than one vehicle.)

If you answered A, you have only modest assets—

If your property consists of modest assets (and your income is at or below your state median), you may be able to do your own bankruptcy. These types of assets are usually exempt, which means you won't lose them if you file Chapter 7 bankruptcy. Complete the rest of the quiz to see if there are other reasons why you shouldn't attempt to represent yourself.

If you answered B, you have substantial assets—

If your property consists of substantial assets, you should consult a bankruptcy attorney. These types of assets are typically not exempt in a Chapter 7 bankruptcy, which means they may be sold to pay your debts. You could be better off filing under Chapter 13, which allows you to keep all or most of your assets, while you pay off at least a portion of your debts in installments. Even if choose Chapter 7, you want to be certain that your exemptions are applied in a way to save the maximum possible amount of your property. A bankruptcy attorney can help you with that.

QUESTION 3 | YOUR HOME

Are you behind on your mortgage or is your home in foreclosure and do you want to save it?

- A. Yes.
- B. No.

If you answered yes, you are behind on your mortgage or in foreclosure and want to save your home—

You should consult a bankruptcy attorney. A Chapter 13 bankruptcy may give you the opportunity to save your home. You can catch up on past due mortgage payments over the course of your repayment plan, which will typically last from three to five years.

If you answered no, you are not behind on your mortgage or in foreclosure.

Assuming your income is at or below your state's median and you have modest assets, you may still have a simple Chapter 7 case. Representing yourself may still be realistic possibility if the rest of the quiz reveals no complications.

QUESTION 4 | YOUR DEBTS

Which of the following better describes your debts?

- A.** My debts are mostly credit card or other consumer debts, loans or promissory notes, and/or medical bills.
- B.** A significant portion of my debts consist of back taxes, back spousal or child support, student loans, fines and penalties, or drunk driving judgments.

If you answered A, you have mostly consumer debts, loans, and/or medical debt—

Assuming your income is at or below your state median, you have modest assets, and are not trying to save a home from foreclosure, you are still on the path to a simple Chapter 7 bankruptcy, which you may be able to handle yourself. These types of debts are dischargeable (eliminated) in Chapter 7 bankruptcy.

If you answered B, you owe back taxes, back child or spousal support, student loans, fines and penalties, or drunk driving judgments—

Chapter 7 bankruptcy may not do much to help you. These types of debts are generally not dischargeable or only dischargeable under special circumstances. However, Chapter 13 bankruptcy may be a better option as you may be able to pay off these debts over time through your Chapter 13 repayment plan. You should discuss your situation with a bankruptcy attorney.

QUESTION 5 | POTENTIAL COMPLICATIONS

Are any of the following true?

- You own a business or have business interests with other parties.
- You recently transferred or sold valuable assets out of your name.
- You've recently used your credit cards to charge luxury items.
- You recently paid off a large debt.
- You have creditors that may challenge your discharge.
- You might soon receive an inheritance or other windfall payment.
- You have a pending or potential personal injury or worker's compensation claim.
- You work in a profession that has continued pending commissions or deferred income (e.g. real estate agent).

A. Yes.

B. No.

If you answered A, one of more of these situations describes your case—

You should discuss your case with a bankruptcy attorney. The consequences of each of these situations are too complex to explain here, but they can cause delay, litigation, loss of assets, denial of a bankruptcy discharge, and even criminal charges. You can read more about these issues in my book, [INSERT TITLE](#), which you can download here [\[INSERT LINK\]](#).

If you answered B, none of these situations apply to you—

Assuming your income is below your state median, you have modest assets, mostly dischargeable debts, and are not trying to save a home from foreclosure, your case appears to be a simple Chapter 7 bankruptcy, which you may be able to handle yourself. But go on to the last question before you decide.

QUESTION 6 | YOUR ATTENTION TO DETAIL.

Which better describes you?

- A.** I am thorough, detail-oriented, and confident about my ability to research and educate myself about bankruptcy law and court procedures
- B.** I'm a big picture person. Details are boring and tedious. Reading instructions and filling out forms puts me to sleep.

If you answered A, you are a detailed-oriented person—

If your case otherwise appears to be a simple Chapter 7 bankruptcy, you may be able to handle your own bankruptcy.

If you answered B, you are not good with details—

If you have no patience for details, even if you have a simple Chapter 7 case, you may be better off hiring a lawyer. Keep in mind that even filing a simple Chapter 7 bankruptcy requires a fair amount of time and research. Successfully filing, completing the case, and ultimately obtaining a discharge without putting your property at risk requires you to accurately fill out a stack of bankruptcy forms and schedules, identify the appropriate bankruptcy laws and apply them correctly, research your state's exemptions, and follow all the court rules and procedures necessary to complete the bankruptcy process.

SUMMING UP: WHEN REPRESENTING YOURSELF MAKES SENSE AND WHEN IT DOESN'T

Representing yourself is a realistic choice if you have a simple Chapter 7 bankruptcy case and a knack for details. A simple Chapter 7 bankruptcy means that:

- Your family's income is below your state's median income level.
- You have little or no property.
- What property you do own is covered by an exemption.
- You have mostly dischargeable debts (e.g., credit cards and medical expenses).
- You haven't made any recent property transfers for less than full value.
- You haven't recently made a large payment to pay off a debt.
- Your creditors are not likely to claim that your debts are fraudulent or nondischargeable.

More complex cases that you probably should not attempt to handle on your own include any of the following:

- You have a significant amount of income that might potentially disqualify you from filing a Chapter 7 because you cannot pass the mean's test.
- You have a lot of assets that may be at risk if you file.
- You own real estate with equity (i.e. value above the loan balance).
- You own a business or have business interests with other parties.
- You recently transferred or sold valuable assets out of your name.
- You've recently purchased luxury items on credit.
- You owe significant tax debt.
- You have debts that may not be dischargeable in bankruptcy.
- You have creditors that may challenge your discharge.
- You might receive an inheritance or other windfall payment.
- You have a pending or potential personal injury or worker's compensation claim.
- You work in a profession that has continued pending commissions or deferred income (e.g. real estate agent).