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## **Before You File For Personal Bankruptcy: Statutory Requirements For Credit Counseling and Debtor Education**

For Debtors, it is challenging to find within the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) that portion of the Act that relates to “Consumer Protection.” Perhaps, our Congress was thinking that educational courses related to credit counseling and financial management would assist debtors in having access to valuable resources for present and future financial successes.

Under the provisions of BAPCPA, Debtors in bankruptcy are now required to take two educational courses and file their course certificates with the Bankruptcy Court in order to complete the judicial bankruptcy process and obtain their Order of Discharge.

### **1. CREDIT COUNSELING: Within Six Months Before Filing**

Individuals who plan to file for bankruptcy protection must complete Credit Counseling within *Six months Before* they file. The Department of Justice’s U.S. Trustee Program approves organizations to provide this mandatory Credit Counseling. Only the agencies that appear on the U.S. Trustee Program’s approved list are approved to provide the required Credit Counseling.

Below is a link to the U.S. Trustee Program’s approved list for pre-bankruptcy Credit Counseling. Please refer to this list for your counseling selection. Counseling sessions are offered in person, on the phone and online.

The subject matter of the counseling session should include an evaluation of your personal financial situation, a discussion of alternatives to bankruptcy and a personal budget plan.

Each individual will be charged a fee for the counseling session, which is generally about \$50.00 depending on the services provided, where you live and other factors.

Important questions to ask in choosing a Credit Counseling agency include: A) What services do you offer? B) What are your fees? C) What qualifications do your counselors have? D) What do you do to retain the confidentiality of my information?

Once an individual has completed the required Credit Counseling, a certificate of completion will be issued to the individual. Only approved Credit

Counseling agencies may issue these certificates. To protect against fraud, the certificates are produced through a central automated system and are numbered.

Generally, the certificate of completion of Credit Counseling MUST be filed when an individual files their Petition for Bankruptcy. This is the mechanism for the Bankruptcy Court to be assured that Debtors have complied with the statutory requirement.

There may be limited exceptions to Debtor's compliance with this requirement. There may be limited exceptions to the fee requirements. However, there is no fee for the certificate of completion of the Credit Counseling.

Link for Approved Credit Counseling Agencies:  
[http://www.usdoj.gov/ust/eo/bapcpa/ccde/CC\\_Files/CC\\_Approved\\_Agencies\\_HTML/cc\\_arizona/cc\\_arizona.htm](http://www.usdoj.gov/ust/eo/bapcpa/ccde/CC_Files/CC_Approved_Agencies_HTML/cc_arizona/cc_arizona.htm) (Scott, can you make this an active link?)

## **2. DEBTOR EDUCATION: Pre-Discharge Debtor Education**

In addition to the pre-bankruptcy Credit Counseling requirement, Debtors must comply with another requirement that they take a Debtor Education session *after* bankruptcy filing *before* you are eligible to receive your Order of Discharge. It is important to note that these are two different requirements AND that they cannot be taken at the same time!

The Department of Justice's U.S. Trustee Program approves organizations to provide this mandatory Debtor Education. Only agencies that appear on the U.S. Trustee Program's approved list are approved to provide the required Debtor Education.

Below is a link to the U.S. Trustee Program's approved list for pre-discharge Debtor Education. Please refer to this list for your Debtor Education selection. Debtor Education sessions are offered in person, on the phone and online.

The subject matter of the Debtor Education should include information on developing a budget, managing money, using credit wisely, and other resources.

Each individual will be charged a fee for the Debtor Education, which is generally between \$50.00 - \$100.00 depending on the services provided, where you live and other factors.

Important questions to ask in choosing a Debtor Education agency include: A) What services do you offer? B) What are your fees? C) What qualifications do your educators have? D) How will you assist me in developing a plan for avoiding future financial problems? E) What do you do to retain the confidentiality of my information?

Once an individual has completed the required Debtor Education, a certificate of completion will be issued to the individual. Only approved Debtor Education Agencies may issue these certificates. To protect against fraud, the certificates are produced through a central automated system and are numbered. It is important to note that the Debtor Education certificates are separate from the Credit Counseling certificates that are received prior to bankruptcy filing.

Generally, the certificate of completion of the Debtor Education MUST be filed after you file for bankruptcy but before your debts are discharged. This is the mechanism for the Bankruptcy Court to be assured that Debtors have complied with the statutory requirement.

There may be limited exceptions to the Debtor's compliance with this requirement. There may be limited exceptions to the fee requirements. However, there is no fee for the certificate of completion of the Debtor Education.

Link for Approved Debtor Education Agencies:  
[http://www.usdoj.gov/ust/eo/bapcpa/ccde/DE\\_Files/DE\\_Approved\\_Agencies\\_HTML/de\\_arizona/de\\_arizona.htm](http://www.usdoj.gov/ust/eo/bapcpa/ccde/DE_Files/DE_Approved_Agencies_HTML/de_arizona/de_arizona.htm) (Scott, can you make this an active link?)