



## Want to Know More?

Visit [www.lawofficesof.com](#) for more information about bankruptcy defenses. Discuss your case with one of our dedicated bankruptcy attorneys today.

## How to Determine the Priority for Paying Creditor's Claims in Bankruptcy

Once your assets have been liquidated and/or you seek approval of a repayment plan in Bankruptcy (Chapter 7 or 13, respectively), you'll need to pay claims of certain creditors. The Bankruptcy Code outlines which claims get paid first. In general, these creditors get paid first.



**1. Secured Creditors** - These are debts secured by collateral (i.e. house, car).

**2. Unsecured Creditors** - Conversely, these debts do not have collateral associated with them. It's these unsecured debts that can be tougher to understand who gets paid first. With some exceptions, you can expect to pay in this order:

1. child support/alimony obligations
2. wages/salaries of your employees
3. certain benefit contributions for your employees
4. commissions, etc.

## The Importance of Notifying Creditors in a Bankruptcy Case

One of the single most important steps in the Bankruptcy process is to accurately notify creditors that you're seeking protection from the court. Let's take a look at what proper notice is and what can happen if you don't notify creditors.



### How to Notify Creditors That I'm Filing for Bankruptcy

One of the forms you will complete when filing for Bankruptcy is a mailing matrix listing the names and contact information for all of your creditors. You may need to do some research into your own credit report to make sure this list is complete and accurate.

### What Happens If I Leave a Creditor Off?

Bottom line, if you omit a creditor (whether by accident or on purpose), you run the risk of that creditor being excluded from the proceeding. This means that debt likely won't be discharged. You'll still owe it even after going through the time and expense of filing.

## What to Expect at a Bankruptcy Meeting of Creditors

For most individual debtors filing for Bankruptcy protection, the meeting of creditors is the only time they'll see the inside of a courtroom. Most of the time, this meeting is perfunctory, but there are some important things that take place during it.



### Who Attends

As the debtor, you will attend the meeting of creditors. The Bankruptcy trustee will also be there and will essentially run it. Your lawyer may attend with you. Additionally, your creditors are invited to attend. They seldom do, but if any of them has an objection to the discharge of your debt, expect them to be there.

### What Happens

The Bankruptcy trustee will question you under oath about the information (income, debts) you provided in your Bankruptcy schedules. If the trustee sees anything suspicious or out of order, he/she will explore it. If everything goes smoothly, the trustee will recommend discharge and your case will be closed within a few weeks.

Your case is important to us. If we can't help you, we'll do our best to refer you to someone who can.

This email is part of our ongoing campaign to provide quality educational materials to current and former clients, and the larger community that may benefit from this information. Please unsubscribe below if you do not wish to receive these emails.

Wishing you success,