

# Chapter 7 Bankruptcy

Matthew Hulstein, Sal Lopez, and Justin Storer  
(CVLS, 12-2-20)



*Because equal access to  
justice is everyone's fight*

# Introductions: CVLS

- Oldest and largest pro bono legal aid organization in Illinois
- Represent low-income Chicagoans in civil legal matters
- All cases are screened for merit and achievability of Client's goals
- Volunteers are supported by knowledgeable staff and resources

# Introductions: Presenters

- **Matt Hulstein:** Supervising Attorney at CVLS, where he started practicing in 2012. He focuses on consumer and housing law. He graduated from the University of Iowa in 2012.
- **Sal Lopez:** Partner at Robson & Lopez, a consumer practice firm which he formed in 2012. Before that, he practiced at Legal Aid Chicago. Prior to entering the legal profession, he served in the U.S. Navy. Sal graduated from Chicago Kent in 2008.
- **Justin Storer:** Partner at the Law Office of William J. Factor, focusing on consumer bankruptcy and trustee representation. He is a lifelong Chicagoan and a 2007 graduate of DePaul University.

# Gloria's Story

- Gloria's husband died unexpectedly, and she was suddenly without a reliable source of income. She lost her home to foreclosure, with huge personal deficiency entered against her.
- A creditor filed a collection action against her and froze all of her bank accounts. She learned about the freeze when she was in line to buy groceries, and her card didn't work.
- With CVLS's help, Gloria unfroze her bank account, was able to pay her necessary expenses, and discharged over \$1 million dollars of debt.
- Gloria was represented by a volunteer. Sal and Justin have also represented CVLS bankruptcy clients.

## Learning Objective

After today's training, you will be able to successfully represent a CVLS bankruptcy client from pre-filing through discharge.

# Why We're Doing This

- With COVID-19, BK filings are expected to soar
- CVLS takes:
  - Low-income people who need a Chapter 7 BK discharge
  - Could be to simply shed debt or for some other reason (parking tickets, drivers' license reinstatement, utility issues, etc.)
  - Help our client's get a "fresh start" at a new financial life
- CVLS does not take:
  - Chapter 13 BKs
  - "Peace of mind" BKs
  - Expected adverse proceedings
  - Attempts at discharging student loans





What are your  
concerns about  
representing  
someone in  
bankruptcy?

Please post your responses in the chat  
or unmute to share.





# Filling out and Filing the BK Petition



# All forms must be...

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**COMPLETE**



**ACCURATE**



**UP-TO-DATE**

# Using Best Case

- CVLS has a Best Case subscription that you can use at our main office
- Best Case is like Turbo Tax for BK
- Intro video: [Resource Library | Best Case](#)



# \$ Questions to ask BEFORE filing

- Has anything changed between your intake and filling out the application?
  - Any new debts / assets?
  - Did they get rid of anything of real value?
- Get most recent bank statements to review
- Is this EVERYTHING?
  - You cannot declare bankruptcy for only some parts of your life. It all has to be included.



# Steps...

1. Start “New Client” in Best Case and input Client information
2. Using information collected by CVLS, fill out the BK forms, clicking “next” to advance through the petition
3. Best Case will automatically cross-reference and populate income, assets, exemptions, debts, and creditors
4. Download/print completed pdfs of the forms and review with your client. When they confirm everything is correct, have them sign forms.
5. Upload Credit Counseling Certificate, Signature Pages, Statement about SSN, and Fee Waive Application (if applicable)
6. One touch filing
7. Pay fees (if applicable)
8. Send copy of the filed Petition to the Client and calendar dates

# Filing Fees: Regular fee and Installments

- Regular Fee:
  - The fee for filing a Ch 7 BK is \$335.
  - Unless eligible for a fee waiver, the Client must have that money on deposit at CVLS before we file the case.
  - When it comes time to pay fees, CVLS pays for the fees using a credit card and gets reimbursed from the Client's trust account.
- Installment Plan
  - The debtor must include a standard installment plan application with her BK petition
  - Filing fee must be paid in full within 120 days, in no more than 4 installments
  - Application asks for information about payments and everyone's signatures

## Filing Fees: Fee Waivers

- To waive fees, the debtor must include a standard Fee Waiver Application
- The Court can waive fees if:
  - Income falls below 150% of Fed Poverty Guidelines (all CVLS clients' do) and
  - Debtor unable to pay in installments
- Application asks for lots of information concerning the family, income, expenses, and debtor and lawyer's signatures
- Court can either grant/deny application, shift to payment plan, or hold hearing

## Next Steps

- CVLS regularly has BK cases we could use help with
- As the number of people needing a BK discharge increases, CVLS will start sending out blasts of cases to interested volunteers
- If you're not currently registered as a CVLS volunteer, please attend the next CVLS Volunteer Orientation (on our website)
- If you want a case now, just email me!

# Questions?

- Matt Hulstein
  - [mhulstein@civs.org](mailto:mhulstein@civs.org)
  - 312-332-8217
- Sal Lopez
  - [lopez@robsonlopez.com](mailto:lopez@robsonlopez.com)
  - 312-523-2021
- Justin Storer
  - [jstorer@wfactorlaw.com](mailto:jstorer@wfactorlaw.com)
  - 312-373-7226



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