

Bankruptcy Basics: What Is The Meeting of Creditors?

When people come into my office to file bankruptcy, most are relieved to learn they can get rid of the load of debt they've been carrying around for years. But then, as soon as I mention the meeting of creditors (also known as a 341 meeting) some people get nervous. A lot of that nervousness comes from not understanding the bankruptcy process or how a meeting of creditors works. So let's take a closer look what you can expect at your meeting of creditors.

I Will Be There With You

The first point to understand is that you're not alone. I, or another attorney in my place, will attend the meeting with you. Once my clients understand this, they almost immediately feel a sense of relief. It's also important to understand that the bankruptcy trustees are just there to do their job, not make your life harder. I know all of these trustees, having worked with them for many years I can guarantee you that they're not out there to trick you, they're just there to do their job.

Location

The meeting of creditors is mandatory for anyone filing Chapter 7 or Chapter 13 bankruptcy, and it typically takes place at a federal building in a meeting room. The bankruptcy trustee, other debtors waiting to have their case heard, and in rare instances creditors will be present at the meeting.

Purpose

Why are you required to attend a meeting of creditors? In a nutshell, the trustee and creditors want to ensure that you've been accurate and truthful in your bankruptcy petition and determine if you have any property that can be liquidated to pay off creditors. If you're filing Chapter 13 bankruptcy, this meeting is where your repayment plan will be confirmed. Or, your Chapter 13 repayment plan could be denied if it's determined by the trustee that you can afford to pay your creditors more. It's important to note that in many cases creditors don't show up unless they have questions or concerns about your bankruptcy petition. In that case, you could be questioned by creditors.

Timing

The meeting of creditors will take place at least 21 days but no more than 40 days after you file bankruptcy.

What To Bring

Typically, the only things you'll need to bring are your driver's license and your social security card. Take careful note of any instructions given to you by the trustee because failure to bring any required documents will cause your meeting to be rescheduled.

The bankruptcy trustees typically require some or all of the following documents to be provided at least a week in advance of the meeting:

- tax returns
- mortgage documents

- bank statements
- paystubs
- car title

Questions

Before the meeting of creditors, the bankruptcy trustee will review your bankruptcy petition. If there is any confusion or missing information the trustee will discuss them with you at the meeting of creditors. Typical bankruptcy trustee questions may include:

- Did you list all your creditors on your bankruptcy petition?
- Have you disclosed all of your assets and income?
- Has anything changed since filing your bankruptcy petition?
- Have you sold or transferred property in the past two years?
- How did you determine the value of your assets?

If there is a question you can't answer, let the bankruptcy trustee know. Do not knowingly give inaccurate answers or information you're not sure about.

Creditors

Typically, most creditors do not attend the meeting of creditors unless they have questions or concerns about your bankruptcy petition, assets or income. Creditors may also attend this meeting if you're surrendering property in bankruptcy such as a car or house.

Now that we've explored the meeting of creditors process, it's time to move your bankruptcy case forward so that you can get the fresh start you deserve. Feel free to call me if you would like to have a free consultation.