

We have filed a case under Chapter 13 of the Bankruptcy Code on your behalf. A copy of the filing is enclosed. Chapter 13 is a repayment plan for individuals with regular income. It provides the broadest possible discharge of debts available under the bankruptcy laws.

Please take a moment to carefully review the documents filed in your case. Look particularly for creditors or possible creditors that are not listed and for omitted assets, including any rights you may have as part of a class action or any right to sue individually for personal injury, discrimination, or other violation of your legal rights. Let us know immediately if there are either assets or creditors that need to be added to the schedules.

Payments to the trustee. You must make your first payment of \$ ◆ to the trustee on the 20th day of the month after you filed your case (it must be received by the trustee on the 20th day); if you have not made that payment your case may be dismissed. Payments must be in the form of a money order or certified check and must include your name and case number.

You are responsible for continuing to make the payments each month as provided for in the plan. Neither this office or the Trustee will send out reminder notices or a bill. Failure to make payments to the trustee may result in an order dismissing your case.

The trustee's name and address is

Devin Derham-Burk, Trustee
P.O. Box 50009
San Jose, CA 95150-0009

Paying your current expenses. In Chapter 13, you continue to pay your **current** expenses directly **■ including each mortgage payment** that comes due after your case is filed. **■ OR including the *first* mortgage payment** on your residence that comes due each month after the case is filed. **Do not pay** creditors whose claims are listed in your schedules unless the plan calls for you to pay that creditor outside of the plan. Do not make car payments directly; all payments on financed cars must be paid through the plan. Your plan includes funds for car payments in the monthly payment you make to the trustee. It is extremely **important** that you maintain insurance on your cars. Failure to do so may result in the lienholder objecting to confirmation of your plan and/or filing a motion for relief from stay. If you have questions, please call this office for guidance.

Current year taxes. The bankruptcy case provides only for debts, including taxes, that were due when the case was filed. Taxes for this tax year are not included. You need to provide for sufficient withholding or quarterly payments to pay this year's taxes when they come due next spring.

Plan confirmation. The plan you have submitted is reviewed by the trustee and by your creditors who may object to the confirmation of the plan by the court on certain grounds set out in the bankruptcy code. If there are objections, we will work with you to refute the objection or to amend the plan to resolve the matter. It is very common to amend both schedules and the plan to

reach a plan that is acceptable to the trustee. In preparing the plan, we take a position as favorable to you as possible; it may be necessary to compromise that position to reach a prompt and economic resolution of any disputes that may arise with the trustee or creditors.

Once confirmed by the court, the plan binds all creditors to the payments provided by the plan. At the conclusion of the plan, your dischargeable debts are discharged.

In Chapter 13, you will make regular monthly payments to the Chapter 13 trustee, who will in turn pay your creditors who file claims, according to the terms of your Chapter 13 plan. The trustee will begin making payments to creditors after the court has confirmed the plan. The proposed plan was filed on ◆

Continuing collection efforts. Let us know immediately if any creditor attempts to collect a debt listed in your petition. Sometimes, those contacts are a result of slow notice of the commencement of the case by the court; sometimes however, they are willful violations of the automatic stay and are punishable by law.

IF YOU HAVE A HOME MORTGAGE PLEASE TAKE A MOMENT TO READ THE HANDOUT ACCOMPANYING THIS LETTER.

This is only an overview. Please feel free to discuss these or any other matters concerning your case with us.

Very truly yours,

Renée C. Mendoza

Encl.