

Legal Advocates for Seniors and People with Disabilities

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Phone: 312-263-1633 Fax: 312-263-1637

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Dear Prospective Client:

We would like to thank you for contacting Legal Advocates for Seniors and People with Disabilities (LASPD) which is a **nationwide program** of the Chicago Legal Clinic. We would very much like to assist you with your financial problems as your counselor,

Don Marshall has indicated to you.

First of all, we would like to provide you with some information about the Chicago Legal Clinic, Inc. Founded as a not-for-profit clinic by two Law School classmates in 1981 to bring low-cost legal services to unemployed steel workers, Bishop Thomas Paprocki and Ed Grossman's vision has expanded significantly. The Chicago Legal Clinic now serves more than 40,000 clients a year.

Our LASPD program has been developed to assist seniors and people with disabilities whose income is protected by law. Once you have been accepted into the program, LASPD will contact your unsecured creditors to direct them to contact us and not you. Then we will also inform your unsecured creditors that you are collection-proof and request that they cease further collection activities.

To qualify for our services, please complete all the forms as listed on the attached checklist and send them back to us as soon as possible. Once the information on this list has been received and reviewed, you will be contacted by mail or phone if we find that some information is missing or if we have any questions. If everything is fine, you will be mailed an acceptance package, including instructions to follow when your creditors contact you. In the meantime, if you have any questions, please do not hesitate to call your counselor at 1-866-785-DEBT (3328). Thank you for your interest.

Very Truly Yours,

Jeff Whitehead
Supervising Attorney

Overview of the Program

Legal Advocates for Seniors and People with Disabilities (LASPD) is a **nationwide** program of the Chicago Legal Clinic, Inc. LASPD was developed to stop unsecured creditors from harassing and threatening people whose income is protected by law in order to collect money they claim is owed. Once a person has formally retained an attorney, the law prohibits most creditors from contacting the client directly.

LASPD was developed for people such as you whose sources of income include social security benefits, disability benefits, child support and alimony, certain pensions and veterans' benefits, among others. LASPD can deal with unsecured creditors, i.e., credit card companies, medical care providers and collection agencies. And even people who own a home may be able to benefit from LASPD representation.

After your information has been reviewed and you have been accepted into the program as a client, LASPD will contact your unsecured creditors to direct them to contact us and not you. We will also inform your unsecured creditors that you are collection-proof based on the affidavit that you will sign and return to us.

Through these methods, LASPD can eliminate harassing contacts with unsecured creditors and enable you to answer the telephone or open the mail without fear. However, please be advised that unless agreed upon in another written document, we will not represent you in court. Nevertheless, LASPD will bring the fact that your primary source of income is protected by law to the attention of the appropriate parties.

LASPD may be a better alternative for you than bankruptcy. You would not be subject to the embarrassment or have to pay the relatively higher attorney's fees as well as court filing fees that are required when a bankruptcy is filed. However, in most instances, you would have the same freedom from creditor harassment.

RETAINER CONTRACT

PLEASE REMEMBER TO SIGN AND RETURN THIS CONTRACT AFTER YOU
READ IT.

I (we) hereby retain Legal Advocates for Seniors and People with Disabilities (LASPD), a nationwide program of the Chicago Legal Clinic, Inc., to represent me (us) regarding the resolution of those unsecured debts listed in my (our) financial profile.

I (we) understand that I (we) will be responsible for the one time enrollment fee in the amount of **\$250.00**. I (we) understand that I (we) can pay the **\$250.00** in full or in **4** equal monthly payments of **\$62.50** for a total of **\$250.00**. Whichever way I (we) choose to pay the initial enrollment fee, I (we) understand that once it is paid, I (we) will then be responsible for paying a **\$25.00** monthly retainer fee for every month that I (we) remain in the program. (This monthly fee may decrease given the number of continuous months that I (we) stay in the program.)

I (we) understand that LASPD will not represent me (us) until such time as I (we) have paid either the full enrollment fee of **\$250.00** or the first payment of **\$62.50** and I (we) have been accepted as a client. Also, I (we) understand that if I (we) fail to make one or more of the **\$62.50** payments, LASPD will **cease** to represent me (us). *Enrollment fees can be paid by check, money order, and/or cashier's check made out to **Legal Advocates for Seniors and People with Disabilities** or **LASPD**.* All fees will be considered earned upon receipt.

I (we) understand that (a) all fees will be shared equally between the **Chicago Legal Clinic** and **Attorney Donald Leibsker** in the administration of LASPD and (b) Donald Leibsker will coordinate the initial analysis of my (our) financial situation and determine if LASPD is an appropriate legal service to help resolve my (our) debt situation. It is my (our) understanding that LASPD will communicate directly with my (our) unsecured creditors on my (our) behalf. LASPD will also provide the creditors with my (our) Affidavit as well as other information that would assist LASPD in making my (our) creditors realize that my (our) income is protected by law and that any collection efforts on their part would be unproductive.

I (we) understand that LASPD will communicate to my (our) creditors that I (we) cannot and have no intention of paying my (our) debt(s). I (we) understand that LASPD will not represent me (us) in settlement negotiations with creditors. I (we) understand that any indebtedness of six hundred (\$600.00) or more which is cancelled by a creditor may be treated as income to me (us) by the Internal Revenue Service.

I (we) understand that although LASPD will use its best efforts to try to persuade creditors and their debt collectors to cease any and all collection activity, LASPD cannot and does not guarantee that collection activity will be stopped. I (we) understand that LASPD may consult with other attorneys to determine if collection laws have been violated by one or more of my (our) creditors.

I (we) understand that LASPD will not represent me (us) in any legal proceedings, including formal court proceedings or arbitration proceedings, if I (we) am (are) sued. I (we) understand that I (we) cannot and should not ignore any legal pleadings that may be

served upon me (us) relative to a lawsuit filed against me (us) in any court of law and I (we) will contact LASPD immediately if I (we) am (are) so served.

I (we) further understand that all of LASPD's work is done from their offices in Chicago, Illinois by lawyers who are in good standing and licensed by the state of Illinois. If it is necessary for me (us) to be represented by a local lawyer, I (we) understand that if I (we) ask them, LASPD may be able to recommend a lawyer who is licensed by and in good standing in the state where I (we) reside.

I (we) am (are) free to stop LASPD from representing me (us) for any reason, upon written notice. I (we) understand that I (we) can contact creditors on our own if we do not retain LASPD. LASPD may stop representing me (us) and withdraw upon written notice to me (us) for reasons such as:

- a) LASPD believes that further representation would be unproductive;
- b) LASPD believes that my (our) financial position has changed so that I (we) am (are) no longer financially eligible for services;
- c) LASPD believes that I (we) have failed to cooperate with them;
- d) the enrollment or monthly retainer fees are not paid as agreed;
- e) the information I (we) have given LASPD was inaccurate.

Finally, I (we) affirm that I (we) have read or had read to me (us) all of the **Frequently Asked Questions**, understand them, and further understand that they are part of this Agreement.

NOW THAT YOU HAVE READ THIS CONTRACT, PLEASE COMPLETE THIS PAGE. AFTER YOU RETURN IT, IF YOU ARE ACCEPTED AS A CLIENT, WE WILL SIGN IT AND SEND YOU A COPY ALONG WITH ADDITIONAL INFORMATION.

FIRST CLIENT'S NAME

SECOND CLIENT'S NAME

FIRST CLIENT'S SIGNATURE

SECOND CLIENT'S SIGNATURE

DATE SIGNED

DATE SIGNED

FOR OFFICE USE ONLY:

LASPD ATTORNEY

DATE SIGNED

Applicant Information

FIRST CLIENT

Last Name		First Name			MI
Street Address		Apt. #	City	State	Zip Code
Date of Birth __/__/__	Soc. Sec. # __-__-____	Home Phone ()		Alternate Phone ()	

Do you own your home? ____ Yes ____ No

E-mail address if you have one: _____

Other names that you have legally used:

Number of Dependents (those who rely on you for more than 50% of their financial support): _____

Relationships: _____

If you had a relative or friend help you complete these forms, please provide us with their name and contact information below:

Name: _____ **Relationship:** _____

Telephone Number: _____ **E-Mail Address:** _____

For statistical purposes only, would you please indicate:

Are you *MALE* ____ or *FEMALE* ____? **Are you disabled?** ____.

Marital Status: (1) Single ____, (2) Married ____, (3) Divorced ____, (4) Separated ____,
(5) Widowed ____, (6) Other _____

Your ethnicity: (1) Caucasian ____, (2) African-American ____, (3) Hispanic ____, (4) Asian ____, (5) Other _____.

Co-Client Applicant Information

SECOND CLIENT

Last Name	First Name	MI
____/____/____	____/____/____	Relationship to Client

Do you own your home? ____ Yes ____ No

E-mail address if you have one: _____

Other names that you have legally used:

Number of Dependents (those who rely on you for more than 50% of their financial support): _____

Relationships: _____

If you had a relative or friend help you complete these forms, please provide us with their name and contact information below:

Name: _____ **Relationship:** _____

Telephone Number: _____ **E-Mail Address:** _____

For statistical purposes only, would you please indicate:

Are you *MALE* ____ or *FEMALE* ____? **Are you disabled?** ____.

Marital Status: (1) Single ____, (2) Married ____, (3) Divorced ____, (4) Separated ____,
(5) Widowed ____, (6) Other _____

Your ethnicity: (1) Caucasian ____, (2) African-American ____, (3) Hispanic ____, (4) Asian ____, (5) Other _____.

CONSENT FORM FOR LEGAL REPRESENTATION

Please allow this form to express my (our) formal consent for Legal Advocates for Seniors and People with Disabilities (LASPD) to provide certain legal representation on my (our) behalf with respect to my (our) debts. LASPD, through its agents, has authority to communicate with all creditors on my (our) behalf. All communication regarding my (our) debts from any and all of my (our) creditors shall be made only through the agents of LASPD. This consent form shall be valid until revoked in writing by the undersigned.

FIRST CLIENT'S NAME

SECOND CLIENT'S NAME

FIRST CLIENT'S SIGNATURE

SECOND CLIENT'S SIGNATURE

DATE SIGNED

DATE SIGNED

Please include a **COPY** of just **ONE** of the following **SIGNED** documents:

1. Driver's License **OR**
2. State I.D. Card **OR**
3. Social Security Card **OR**
4. Medicare Card **OR**
5. If you don't have any of these, please have this form notarized:

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY
OF _____, 20____.

NOTARY PUBLIC

REMEMBER – YOU JUST NEED TO SEND ONE OF THE ABOVE.

Please help us to help you. The best way to give creditors a full understanding of your financial profile is by filling out this affidavit as **completely, neatly** and **accurately** as possible. This will greatly help our communication with your creditors. Thank you.

AFFIDAVIT OF INCOME AND EXPENSES

A. SOURCES OF INCOME AND GROSS MONTHLY AMOUNTS – MONEY RECEIVED BY YOU (BEFORE DEDUCTIONS)			
SOURCE OF INCOME	AMOUNT	SOURCE OF INCOME	AMOUNT
Social Security Retirement		Wage Income	
Supplemental Security Income (SSI)		Unemployment Compensation	
Social Security Disability		Rental Income	
Veterans' Benefits		Interest Income	
Workers' Compensation		Other Income (if any, please describe)	
Public Aid (for example, Food Stamps)		_____	_____
Alimony		_____	_____
Child Support		_____	_____
Pension Benefits		_____	_____
		TOTAL INCOME	

B. MONTHLY EXPENSES – MONEY YOU PAY TO OTHERS			
TYPE OF EXPENSE	MONTHLY AMOUNT	TYPE OF EXPENSE	MONTHLY AMOUNT
Rent/Mortgage <i>Please circle one.</i>		Food	
Average Utilities (gas, electric, telephone, cell phone, water, etc.)			
Real Estate Taxes. <i>Be sure to divide the yearly amount by 12.</i>		Medical	

Dental		Religious Affiliation Donations	
Car Payment(s)	_____	Health Insurance	_____
Car Insurance	_____	Life Insurance	_____
Car: Gas & Maintenance	_____	Other Expenses (<i>List</i>)	_____
Other Transportation Costs		_____	_____
Reasonable expenses to support a child or parent	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
		TOTAL EXPENSES	

Have you ever **co-signed** a financial document? In other words, have you ever signed a document with another person where they, and not you, were going to get something? _____. If yes, please give us the name of this person, the name of the creditor and the type of debt (e.g., a home loan or a car loan):

The above-listed information has been carefully provided by me. I have disclosed all of my income and expenses. I understand the purpose of this disclosure and have voluntarily signed it.

PRINTED NAME: _____
First Client

SIGNED: _____
First Client

DATED: _____

PRINTED NAME: _____
Second Client

SIGNED: _____
Second Client

DATED: _____

STATEMENT OF ASSETS

We must know what assets (things of value) you own and if creditors have any rights in those assets (i.e., a mortgage on a house or a loan on a vehicle) and their approximate worth. If you provided a creditor with information about your car, house, or other property when you took out a loan, please provide us with a copy of the loan agreement.

ASSETS			
TYPE	VALUE (how much the asset could be sold for)	CO-OWNER IF ANY (Please list even if co-owner is another potential LASPD client.)	AMOUNT OWED
House			
Other Real Estate			
Vehicle(s) – please itemize			
Stocks, Bonds, Mutual Funds or ETF's			X
Annuity/IRA/401(k)			X
Bank Accounts (Checking, Savings, Money Market or CD's) - Please list the amount in the account and where the money in the account came from: e.g., social security, pension, wages.			X
Life Insurance Policy (Name of beneficiary and relationship to you, e.g., a child or spouse: _____) - How much money you can get either by surrendering the policy or taking a loan against it.			X
Lawsuits Pending (where you may recover money)			X
Other – please itemize			X
TOTAL ASSETS			

IMPORTANT INFORMATION:

1) Have you transferred any assets to anyone in the past 12 months? _____

If yes, please detail each asset that was transferred, the value of that asset, the date of transfer and to whom:

The above-listed information has been carefully provided by me. I have disclosed all of my assets. I understand the purpose of this statement of assets and have voluntarily signed it.

PRINTED NAME: _____
First Client

SIGNED: _____
First Client

DATED: _____

PRINTED NAME: _____
Second Client

SIGNED: _____
Second Client

DATED: _____

LIST OF UNSECURED CREDITORS

VERY IMPORTANT: WITH EACH CREDITOR, IN ADDITION TO THEIR ACCOUNT NUMBER AND AMOUNT OWED, PLEASE PUT A CHECK MARK TO INDICATE IF THE DEBT BELONGS TO CLIENT #1 (CL #1) OR CLIENT #2 (CL #2) - - DEPENDING ON WHERE YOU SIGNED ON PAGES 5 OR 6 - - OR BELONGS TO BOTH PARTIES (JOINT). ALSO, PLEASE INCLUDE AN ORIGINAL STATEMENT FOR ALL OF THESE CREDITORS AND/OR A COPY OF A LOAN OR INSTALLMENT AGREEMENT.

NAME OF CREDITOR	ACCOUNT NUMBER	CL#1	CL#2	Joint	TOTAL AMOUNT OWED
1.					\$
2.					\$
3.					\$
4.					\$
5.					\$
6.					\$
7.					\$
8.					\$
9.					\$
10.					\$
11.					\$
12.					\$
13.					\$
14.					\$
15.					\$
TOTAL AMOUNT					\$

Client's Checklist

Please make sure that you have accurately and completely provided all of the information that we have asked for. Now, as you get ready to send us all of this information, please use the following checklist to prepare the package that you are returning to us. Missing information or forms will only delay our representation of you as a client. **To make things easy for you, remember to return all of the GRAY sheets, including this one; you keep the WHITE sheets.**

WE STRONGLY RECOMMEND THAT YOU MAKE A COPY FOR YOURSELF OF ALL THE MATERIALS THAT YOU WILL BE SENDING US:

- The **signed** Retainer Contract (pp. 3-4)
- The **completed** Applicant Information Sheet (pp. 5 & 6)
- The **signed** Consent for Legal Representation form along with your supporting documentation or notary stamp (p. 7)
- The **signed** Affidavit of Income and Expenses (pp. 8-9)
- The **signed** Statement of Assets (pp. 10-11)
- The **completed** List of Unsecured Creditors (p. 12)
- This **completed** Client's Checklist (p. 13)
- An **original** monthly statement from **each** creditor and a copy of any loan or installment agreement (including one where you were a **co-signer**).
- It would also be very helpful if you could include a copy of your most recent **Benefits Statement(s)**.

INDICATE WHAT PAYMENT YOU WILL BE ENCLOSING: \$ _____

INDICATE HOW YOU PREFER TO MAKE YOUR FUTURE \$25 MONTHLY RETAINER PAYMENTS:

- Mailed with Coupon*
- Automatic Bank Debit**

*We will send you your coupon book at the appropriate time.

If you've chosen the automatic debit approach, please complete the enclosed **Authorization Form. Do not worry if you can't complete every part of this form. Once we get it back, if we have any questions, we will call you. **BUT you must at least sign it, indicate which date you want us to take the payment each month, and enclose a voided check from the account we'll be taking the money from. Once we approve your Authorization Form, we will mail you a notice of when we will begin to debit your bank account. (If you will be using the coupon book, you can simply return the blank GRAY Authorization Form.)**

Installment Payment Option

If you have chosen to pay **LASPD** in installments of **\$62.50**, use these statements to send us your payments. You may send in more than **one** payment at a time but must send in at least **one** payment every **30** days until you have made all **4** payments.

Your first payment (Payment #1) should simply be included with your application in the postage-paid return envelope that **LASPD** has provided.

For your remaining payments, enclose the filled-in payment slip(s) -- e.g., Payment #2, Payment #3 or Payment #4 -- with your personal check, money order or cashier's check in an envelope and mail it to:

LASPD
211 W. Wacker Dr.
Suite 750
Chicago, IL 60606

After we have received your fourth payment of **\$62.50**, you will **START** making your monthly retainer payments. Please indicate your preferred method of payment on p. 13.

(Cut Here)

PAYMENT # 1

Name: _____
(Please Print)

Phone Number: _____

Amount: **\$62.50**

PAYMENT # 2

Name: _____
(Please Print)

Office File Number: _____

Amount: \$62.50



(Cut Here)

PAYMENT # 3

Name: _____
(Please Print)

Office File Number: _____

Amount: \$62.50



(Cut Here)

PAYMENT # 4

Name: _____
(Please Print)

Office File Number: _____

Amount: \$62.50

FREQUENTLY ASKED QUESTIONS

YOU AND LASPD

1. Can I do this myself?

Yes. If your income and/or assets are protected by law, you are "collection/judgment proof" and you can advise your creditors accordingly.

2. Is the LASPD program a bankruptcy program?

No. The main goal of LASPD is to get your creditors to cease all collection activity because we have shown them that your primary source of income is protected by law. The LASPD program cannot formally erase your debt; only the creditor or a bankruptcy can do that.

3. Will LASPD be paying my bills or negotiating with my creditors?

No. We let your creditors know that your income is protected and is being used to pay necessary bills.

4. Is there any minimum amount concerning the unsecured debts that I can submit to you?

The best way to deal with debts under \$50 is not to submit them to us but to try to pay them on your own.

5. What if a relative assists me with my monthly payments?

Income received from a relative or friend is generally considered to be paid voluntarily and is not required to be listed.

6. Can you help with a "payday loan"?

If the lender is not holding one or more of your checks, then we can help.

7. Do I have to include all my assets?

We certainly need to know about any asset worth more than \$1000. On the other hand, even a person who has considerable assets may find that we can still help them.

8. Can I earn any extra money and still qualify for the program?

Yes. Your additional income may be protected depending on your state of residence and the source and the amount of the income.

9. Can I give you copies of the bills or do I need to give you the original bills?

Please give us the most recent original bills. Often the written information on the back of your bill can be very helpful to our office.

10. Where do I get a document notarized?

Some common places that offer this service are banks and currency exchanges (if you have them in your area) or consult the yellow pages under Notary Public. And remember that documents have to be signed in the presence of the notary.

11. Can I add a creditor after I send in my application?

Of course, if you forgot to include a creditor, please call **LASPD** immediately. However, after we have sent you the **LASPD** acceptance package, if you ask us to add a creditor that you have not at least listed in your application, we will consider doing this, but if we do, you will be charged a one-time fee of \$33 per creditor.

12. How do I know that you got my application and that you'll be representing me?

We will contact you after we have received your application if anything is missing, if we have any questions or if we think another solution is better for you. If everything is in order, then we'll be mailing you a package of acceptance materials.

13. When do I start making my monthly retainer payments?

We explain this in the application and in the acceptance package. You'll get to choose exactly how you want to make your payments, either by mailing in payments with coupons or by having automatic bank debits authorized.

14. How long do I need to stay in the program?

There is no magical time period. Some cases and accounts take longer than others. **LASPD** can usually complete its work for you within one to two years. Keep in mind that it is really up to you to decide exactly how long you stay in the program.

15. Will **LASPD** representation help my credit score?

Typically, by the time clients come to **LASPD**, their credit score already reflects their debt problems. Since the **LASPD** lawyers are basically explaining to your creditors why you can't pay your bills and why they should cease collection activity, the result of their efforts is usually "peace of mind" but not an improved credit score for the client.

16. How do I get in touch with my counselor?

All of our counselors give out a particular number that you can use to reach them. However, they can all be reached toll-free at: **1-866-785-DEBT(3328)**. It is your counselor who can help you complete the **LASPD** application and answer any of your other questions about becoming an **LASPD** client.

YOU AND YOUR CREDITORS

1. When should I stop using my credit cards?

If you're talking to us, you should probably stop right now. You should not be incurring new debt if you know now that you will be unable to pay it.

2. When do I stop paying the creditors that I'm talking to you about?

When you receive your acceptance package.

3. Can I keep a credit card?

You can keep a credit card provided that you use that credit card for necessities (e.g., food, gasoline, prescriptions or for an emergency) and you are able to pay the entire balance each month when you receive the credit card statement.

4. What do I do with the monthly statements that I continue to receive from my creditors?

It is normal for your creditors to continue to send you monthly statements for a while. Please keep these statements for your personal records; do **not** send them to **LASPD**. However, if you receive anything from a third party (such as a collection agency, collection attorney, or a company that has taken over your account - a so-called "debt-buyer"), you must mail or fax a copy to **LASPD** so we can contact them on your behalf. If such a collector continues to contact you after receiving our letter, they may have committed a violation of the Fair Debt Collection Practices Act (FDCPA). If this is the case, we may ask you for your permission to sue them on your behalf and try to get you a cash settlement.

5. When can I expect to stop being called by my creditors?

You should notice a reduction in the number of collection calls within a month of your receipt of the **LASPD** acceptance package. Please follow the instructions in the acceptance package which specifically deal with creditors.

6. What is the difference between a secured debt and an unsecured debt?

A secured debt is one where the creditor has rights in the purchased property or other property the debtor has pledged. For a house, upon default, the rights the creditor has are to foreclose on the property or collect on a note that was signed. For a car, upon default, the creditor typically has a right to repossess the vehicle. Certain furniture purchases are secured by giving the creditor the right to take the furniture upon default. Even a bank or finance company may have an interest in property if it is pledged as security for a loan. You can usually tell if a debt is secured by looking at the underlying agreement you signed when the goods were purchased or pledged. Generally, if the creditor has some right to reacquire the goods, the debt is secured. If not, the debt is unsecured. If you want to keep your secured property, then you must continue to make your monthly payments.

7. Will you be able to assist me with any of the following CURRENT bills that I may have: (a) utility, (b) rent, (c) mortgage, (d) real estate taxes?

No. You should continue paying these obligations on a timely basis just as you take care of your other necessary expenses.

8. If I include medical bills, can I still see that doctor or go to that hospital?

If you fail to pay a medical bill, that service provider may very well refuse to provide additional service until the bill is paid or a payment arrangement is worked out.

9. What does it mean to have my debts written off and what if a creditor won't write off my debt?

Our goal is to have the creditor cease collection activity against you whether or not they write off the debt. A creditor is required to write off the debt after a certain period of time if it appears the debt is uncollectible. Because a creditor writes off a debt does not mean that you do not owe the money any longer. It means that they cannot continue to classify your debt as an account receivable on their balance sheet. Again, we just want the creditor to stop contacting you.

10. What if I have a credit card that I'm submitting to **LASPD** and a bank account with the same company, e.g., a Citibank credit card and checking account? Is that a problem?

It may be. The bank may "freeze" and then take some or all of your funds without suing you. To be safe, you should close that account.

11. What are my options if a creditor files a lawsuit against me?

In some instances, you would have retained **LASPD** at approximately the same time that a creditor has initiated legal action or a creditor will still take legal action **even though we have informed that creditor that your income is protected by law**. In those situations where a creditor does sue you (you will receive a **summons** informing you of this), you should do the following: **Do not panic**. Send **LASPD** a copy of the summons immediately. **LASPD** will inform the lawyer suing you of your **collection proof** status and send you a copy. If there is a court date, you are usually **not** required to appear. If you choose to go, you can appear on your own behalf or retain local counsel (which we may help you find). But keep in mind: if you owe the creditor the sum claimed, a judgment will probably be entered against you whether or not you appear in court. However, since you are a client of **LASPD**, living with a judgment(s) is usually not a problem. Please see the next two questions.

12. If I own a home and a creditor sues me and gets a judgment against me, what can the creditor do?

Usually what the judgment creditor will do is place a "lien" on your home. This means that when you see the amount of money that you'll get by selling your house, you'll know whether you can pay off the mortgage in full, pay off the judgment creditor in full, and have any money left over for yourself. There may not be enough money from the sale to do all these things. In this case, you will have to see if the mortgage lender and the judgment creditor will take lower amounts. There is also the remote possibility that a creditor would force the house into "foreclosure" in order to get their money. But even in this very unlikely situation, a Chapter 13 Bankruptcy is a solution that may prevent this from happening.

13. If my protected income is direct-deposited into my bank account, is there any way that a creditor who sues me and gets a judgment can get at that money?

(A) New federal rules that took effect on May 1st, 2011 state that if legally "exempt" funds (for example, social security, veterans' or disability benefits) are directly deposited into your bank account, then up to two months of these deposits are protected from a garnishment order. In other words, the creditor with a judgment against you cannot begin the garnishment process by "freezing" your account. You continue to have normal access to it. However, since these are new rules, it is probably best if you check with your bank to see if they are aware of and are operating in accord with them.

(B) If you receive your benefits through checks mailed to you, you can always close your bank account and then cash the checks and pay your bills with money orders. You could also consider using the Direct Express debit card. Alternatively, even before the new federal rules, we had developed a relationship with Bank of America where they would work with us when one of our clients had a Bank of America account garnished. If you don't already have a Bank of America account, we'll tell you how to open one.