

What's a financial management course and why do I need one to get my bankruptcy discharge? by David Leibowitz, Illinois and Wisconsin Bankruptcy Attorney on February 9, 2010.

Five years ago when Congress amended the Bankruptcy Code, it felt that people filed bankruptcy because they couldn't handle their finances. They thought that people simply piled up credit card debt and then blew it off recklessly. Maybe some people did. But lots of people file bankruptcy for other reasons. For example:

- Prolonged unemployment
- Illness and resulting hospital and medical bills
- Disability resulting in inability to work
- Accidents or injuries resulting in inability to work
- Natural disasters such as hurricanes or flooding resulting in homelessness
- Mortgage foreclosure owing to inability to sell one's home due to market conditions

For people like this, all the financial management and budgeting in the world can't help. Vocational training, rehabilitation, medical care and housing assistance can help and does help. Bankruptcy is the tourniquet which stops the bleeding. However, real healing and help is needed to put many debtors back on their feet.

Congress, in its wisdom, has ordained that an individual debtor may not get a discharge in bankruptcy unless, after the case is filed, he or she takes a (post-petition filing) personal financial management course.

Like credit counseling, this can be done on-line, over the phone, or in person. Like credit counseling, this service is performed by a not-for-profit agency approved by the Office of the United States Trustee. It can be in English or another language. Like credit counseling, both husband and wife must take this course. And like credit counseling, it squeezes a few more dollars from already cash-strapped debtors. This course can cost as little as \$19 per person or \$25 per couple up to as much as \$75 per couple.

If you don't take your personal financial management course, your case will be closed without discharge. All your hard work is wasted. You'll still owe all the money on all your debts. You'll have to pay a fee to reopen your case to both the court and your attorney just to file the certificate from your personal financial management course. **So don't blow this off!**

Your attorney, as your Congressionally-designated Debt Relief Agency, will mercilessly remind you to file your personal financial management certificate when representing you in your bankruptcy.