

Contents:

Discharge in Bankruptcy 1

Reasons to Not Reaffirm 1

Reasons to Reaffirm 1

Reaffirmation Agreement 2

Rescission 2

The Author 2

Discharge in Bankruptcy

The Bankruptcy Court issues *Discharges* in bankruptcy. The Discharge cancels the legal obligation to pay most, if not all, debts. Some debts are *not* Discharged. We have provided you detailed written information and discussed these debts with you at length. Such debts include:

- Most but Not All Taxes;
- Student Loans with very limited exceptions;
- Fines and Penalties Ordered by a Court;
- Child Support Ordered by a Court;
- Alimony for Support Ordered by a Court;
- Certain Debts found to be Non Dischargeable; and
- Debts You Agree to Reaffirm.

Occasionally a Debtor will want to pay a Creditor after the bankruptcy; this is known as *Reaffirming* a debt. If you reaffirm a debt, the obligation survives your Discharge and you must pay the debt as if you had never filed for bankruptcy.

Reasons to NOT Reaffirm

You should be very cautious in reaffirming a debt. Once the Discharge is granted, you should be relatively free of indebtedness. If you Reaffirm and you later become unable to pay the debt by sickness or unemployment, the creditor can sue you (again) and you may begin to have some of the same problems you had before you filed for bankruptcy.

Under the old bankruptcy law it was not necessary to reaffirm if you were current on the debt. That has changed. Under the new bankruptcy law a creditor may seek to recover their collateral even though you are current and have never missed a payment. If the bank asks you to reaffirm, you may want to do that or risk losing the collateral. Nevertheless you should not reaffirm without serious thought.

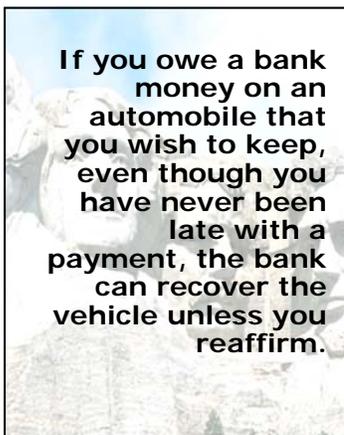
If you reaffirm and later become unable to pay the debt to the bank, the bank repossess the collateral or automobile that you pledged as security for the loan **and seek a deficiency against you regardless of the bankruptcy.**

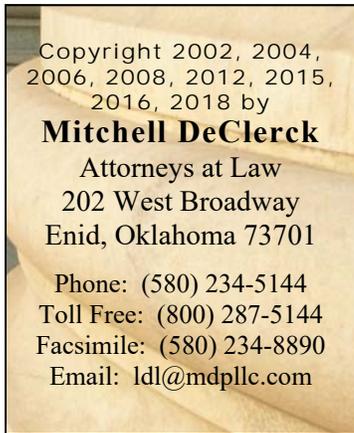
Reasons to Reaffirm

There are a number of situations in which reaffirming a debt is advisable.

If you live in a small town with only one doctor, any debt you owe to the doctor will be discharged in your bankruptcy. However, the doctor is not obligated to provide care to you in the future.

If the doctor's bill is modest or if the need of you or one of your dependents for the doctor's care is great, then it makes sense to consider Reaffirming with the doctor. **Remember, if you reaffirm this will require you to pay the debt regardless of what happens in the future.**





(Continued from page 1)

Another valid reason to Reaffirm: If you have a credit card with a small balance and you want to continue to use that credit card. Many times a credit card company will allow you to continue to use the card if you will Reaffirm the debt to them. It is difficult to travel without a credit card. You need one to make a reservation at a hotel or to obtain a rental car. A credit card, if the debt is small, can also be of help to you in re-establishing your credit.

Another example: A note on an automobile with a local bank. Many small banks or loan institutions are not particularly accommodating and sometimes downright unhappy with the customer — even though the customer continues to pay them what they are owed — without a reaffirmation agreement if the customer does not formally Reaffirm the debt.

If you have a small bank and a good relationship with the banker, then it may make good sense to formally Reaffirm the debt. Again this will help you to restore your credit over time.

Reaffirmation Agreement

Reaffirmation must be done in writing before your Discharge and requires your signature, the signature of the creditor as well as the approval of your lawyer. Your lawyer must analyze the Reaffirmation Agreements and be satisfied it is in your best interest before he approves the Reaffirmation Agreement. Occasionally, a lawyer will refuse to do this because he believes the Reaffirmation will be harmful to you.

Rescission of the Agreement

You may rescind (change your mind) the Reaffirmation Agreement any time prior to Discharge or within 60 days after such agreement is filed with the Court, whichever occurs later or within 30 days of your Discharge. This is clearly something that will be expensive to you and certainly you should satisfy yourself as strongly as possible that this is not something you want to do *before* you reaffirm the debt.

State's Oldest Law Firm

Near as we can tell Mitchell DeClerck's roots in Oklahoma can be traced back to shortly after noon on September 16, 1893, when Charles H. Parker came to Enid on the train during the Land Run of 1893. The Cherokee Strip Land Run began that day with more than 100,000 participants hoping to claim land.

We don't know exactly when Mr. Parker opened his law practice in Oklahoma but until someone who was there tells us otherwise, we think that shortly after noon on September 16, 1893, the original predecessor of Mitchell DeClerck first opened its doors.

Parker was later joined by the former Attorney General of Oklahoma Territory Percy C. Simons forming Parker & Simmons in 1906. Simons had also made the run into Oklahoma in 1893 but began his practice in Grant County on the Kansas-Oklahoma border. Simons became the Attorney General of Oklahoma Territory in 1904 serving until 1906 when he came to Enid to join Parker.

Parker & Simmons grew in stature and was the only Enid firm listed in the prestigious Hubbell's Law Directory in 1918, the year of Parker's death. Mitchell DeClerck or its predecessors have been continuously listed in Hubbell's or its successor Martindale-Hubbell for 100 years. Parker was a Bankruptcy Trustee in 1918 so we've done bankruptcy for over a century.

For a number of decades Mitchell DeClerck and many of its members have held Martindale's highest possible "AV" peer review rating.

Mitchell DeClerck is the oldest law firm in Enid, Oklahoma by nearly a century and the oldest law firm in the state of Oklahoma by nearly a decade. So, over parts of three centuries we've long done most everything involving Oklahoma law.

Our point: If you need an Oklahoma Lawyer to help you solve a problem, in our 124 plus years representing Oklahomans beginning with Charles Parker in 1893 you can be assured that: *We've been there and done that.*

Caveat:

This brochure is designed to give general advice only.

Specific Questions should be directed

