



## Contract Underwriting Requirements

### ***Borrower Eligibility***

- Except in our Silver Program (see below), debtors must have minimum, eligible, gross monthly income of \$2,000
  - Eligible income types are Employed, Self-Employed, Social Security, Long-Term Disability, Pension or VA Benefits (Unemployment Benefits do not qualify and child support garnishments will be deducted before determining eligible gross income)
  - Monthly installment payment cannot exceed 10% of the Debtor's gross monthly income
- Debtors must be able to make automatic payments, and must have either:
  - Active checking or savings account; **or**
  - A pre-paid debit card to which their payroll is automatically deposited by their employer (**but note: prepaid debit cards tend to have higher defaults**)
- If the Debtor does not meet minimum eligibility requirements, a Third-Party Payor may be used (see below)
- **SILVER PROGRAM:** No minimum income requirement for debtors at least 62 years old; payment still cannot exceed 10% of monthly income

### ***Required Documents***

1. Notice of Bankruptcy Filing
  2. Signed, post-petition Chapter 7 Engagement Contract
  3. Signed Payment Authorization & Consent Form (payment amount must match Engagement Contract)
  4. Income Verification
    - Employed: Pay stubs verifying last 30 days of income from same job or same industry
    - Self-Employed: Last two months of bank statements
    - Social Security, Disability, Pension or VA Benefits: Most recent Statement of Benefits, or last two months of bank statements showing benefit deposits
- Please note that the end date of the most current paystub and bank statement must not be more than 60 days prior to the date of the Post-Petition Fee Agreement

★**BEST PRACTICE:** *Reduce payment defaults by collecting BOTH routing and bank account numbers AND debit card information to allow two forms of payment*

★**BEST PRACTICE:** *Set payment dates on paydays to make sure Debtors have money in their accounts*

★**BEST PRACTICE:** *If your client can pay in less than 12 months, shorten the payback period to reduce defaults*

### ***Post-Petition Contract Repayment Terms***

- 12-month maximum repayment term
- First payment must be made within 30 days of signing the Payment Authorization & Consent Form
- Minimum Contract Amount: \$1,000. Maximum Contract Amount: \$3,000

### ***Third Party Payor Requirements***

- Must independently satisfy all Eligibility Requirements above (plus \$3,000 minimum monthly income)
- Must independently provide all Required Documents above
- Must sign the Third-Party Payment Authorization
- Contract does not have to be bifurcated if relying on Third Party Payor for payments