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April 2020 Newsletter

There is help if your job or income is being affected by COVID-19!

We have closed our physical office because of the “stay at home” order of Harris County Judge Lina Hidalgo, to help prevent the spread of COVID-19 (novel coronavirus). Our hearts go out to all of you that are being affected by this worldwide pandemic.

However, we are still working! We are working remotely, out of our homes. We will be here for you and any of your friends or relatives that need our services.

The Bankruptcy Court for the Southern District of Texas has issued special orders as part of an emergency protocol that waives the requirement that we meet personally with certain clients and waives the requirement of “wet ink” signatures. You can now sign documents with us using your computer or smartphone, at least temporarily.

We are also interviewing new clients by telephone or video. You can contact us through the website, or by calling or emailing us as usual. We are receiving and sending documents to and from clients using email, fax and our secure online portal.

The Bankruptcy Court has also passed a special order to help you if you have lost your job, been laid off or have unusual expenses because of the pandemic. First of all, if you are in chapter 13 bankruptcy and are still able to pay your payments, the bankruptcy court encourages you to do so.

So long as your plan is confirmed, the trustee will not file a Trustee Motion To Dismiss unless your plan payments become two or more payments delinquent. If you stay less than two payments behind, you can always catch up your payments by yourself later after this pandemic is over, so long as no creditors object or file a Motion for Relief from Stay.

However, with knowledge that some people have suddenly lost their jobs and incomes or had to incur extra expenses like child care, the court has issued General Order 2020-07, Order Establishing Procedure for Temporary Reduction in Chapter 13 Plan Payments. Under the Order, if you have suffered a substantial and adverse effect from public health issues, you may seek a reduction in your plan payments (or no plan payments) for March 1 through May 31, 2020, i.e. the March, April and May 2020 plan payments.

To qualify, you must have suffered a documentable financial burden such as lost income, increased child care expenses, increased medical expenses or (*see next page*)



Quotes:

I like to pay taxes. With them, I buy civilization.
—Oliver Wendell Holmes

In my opinion, we don't devote nearly enough scientific research to finding a cure for jerks. —Bill Watterson

Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing.
—Denis Waitley

Our law firm is a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt problems, including when necessary, helping them file bankruptcy under the United States Bankruptcy Code.



Bankruptcy Courts will now be doing telephone-video calls for hearings and telephone calls for Sec. 341(a) Meeting of Creditors

If you have a bankruptcy hearing or meeting coming up during the COVID-19 pandemic, it will likely be conducted over the phone and/or through an app called join.me which you can download onto your smartphone.

The Sec. 341(a) Meetings of Creditors are to be held over the telephone, and you will be notified of the call-in information. If the date is coming up and you have not heard, call our office at 713-772-8037. You can also email Mr.

(**COVID-19 from previous page**) other expenses directly attributable to the current public health issues, and you must provide us documentation (such as a letter from your employer that you were laid off because of the coronavirus). We will then file the required statement with the court, and a new wage order or ACH/EFT order which will reduce or stop your plan payments for March, April and May, or any of those months that you will be affected.

Please Note: If you take advantage of this order, these plan payments are not forgiven. They must be caught up by you before December 31, 2020, or if not, a Motion to Modify Chapter 13 Plan must be filed to add them to your plan, which may increase your plan payments.

Regular plan payments resume and must be paid timely again beginning June 1, 2020. This order does not apply to debtors whose plan or plan modification is approved by order entered on or after March 19, 2020.

Also, this procedure DOES NOT reduce payments to be made by debtors (1) directly to creditors; (2) for post-petition taxes; (3) for post-petition domestic support obligations (child support). Our firm is allowed a one-time payment of \$150 from your plan to help you comply

Black at tom@jthomasblack.com or associate attorney Alex Higginbotham at alex@jthomasblack.com.

For bankruptcy court hearings, the Bankruptcy Court wants parties to appear via an app called join.me for video and by telephone for audio. The Judge telephonic-video call information is below.

MUTE all microphones. Hearings are live. You should anticipate that there are many others on the line. So Press 5 when case is called. This "raises your hand."*

Judge Jones-The dial-in number is (832) 917-1510; Conference room number is 205691; **Join.me** conference code: JudgeJones

Judge Isgur- Dial-in Telephone No.: (832) 917-1510; Conference Code No.: 954554; **Join.me** Video conference code: JudgeIsgur ;

Judge Lopez-Dial-in Telephone No.: (832) 917-1510; Conference Room No.: 590153; **Join.me** Video conference code: JudgeLopez

Judge Rodriguez- Dial-in Telephone number: (712) 775-8972; Conference Room Code: 999276; **Join.me** Video conference code: JudgeRodriguez

Judge Norman- conference call number is (712) 770-8095; Conference Room Code 159497; **Join.me** Video Conference code: JudgeNorman ■

with this procedure. This is paid by your trustee; you do not have to pay us directly.

If you wish to take advantage of this Temporary Reduction of Plan Payment procedure, and your trustee is David G. Peake, contact Rob Heinly at 713-772-8037 or rob@jthomasblack.com. If your trustee is William E. Heitkamp, contact Lorinda Barajas at 713-772-8037 or lorinda@jthomasblack.com. Remember, to do this procedure we must have documentation that proves that you have suffered a financial burden such as lost income or increased or extra expenses directly related to the coronavirus pandemic. To read the full text of the Order, go to txs.uscourts.gov/bankruptcy/genord.

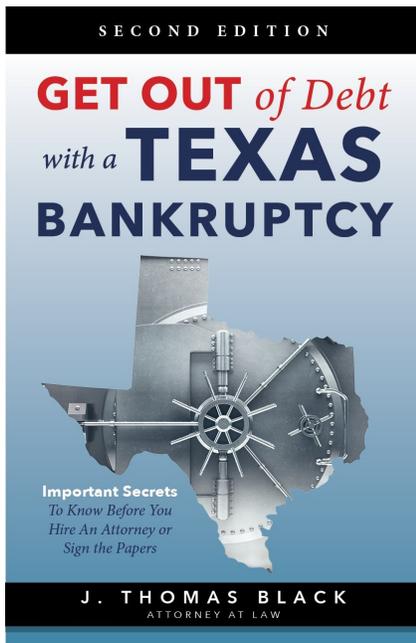
The U.S. Congress has also amended the Bankruptcy Code for a period of one year for people affected by COVID-19. One of the changes was to allow chapter 13 debtors to extend their plans to a maximum of 7 years instead of 5 years. This is to help debtors keep an affordable plan payment, in case they have to skip or reduce their plan payments temporarily because of the COVID-19 pandemic. This can help lower your payments!

If you need to reduce and extend your plan payments because of COVID-19, contact us soon. This change in law allowing a 7 year plan modification only lasts one year. ■

New CARES Act should get you some money shortly!

In case you live under a rock and hadn't heard about it, you should be getting some money from the U.S. Government pretty soon! In fact there are a lot of things in the "Coronavirus Aid, Relief, and Economic Security Act" (the CARES Act) that may make your life a little easier.

1. Stimulus payments. most Americans will receive \$1200 per adult and \$500 per child as "stimulus" money, really tax credits, that will help you recover from the effects of the COVID-19 pandemic. Eligibility is based on income. The I.R.S. will use your 2019 tax return or if you haven't



Are you or someone you care about in serious debt? Are you facing creditor harassment, a lawsuit, a judgment, or wage or bank garnishment? If you qualify, filing bankruptcy can eliminate your responsibility to pay most debts. The U.S. Congress passed these laws for consumer protection from the big banks and mortgage companies. If you need help, call our office at 713-772-8037 or go online to arrange an appointment or request our free Special Report.

filed it, your 2018 return. If you haven't filed either, you want to file one asap and include your bank account information so they can deposit your money into your bank. If you don't file a tax return you may have to apply for the money. Important: the stimulus payments should not be seized or offset to pay either federal taxes, student loans or other federal debts.

2. Foreclosure moratorium and forbearance. The CARES provides for a 60 day moratorium on foreclosures, beginning on March 18, 2020. Borrowers need to request forbearance to get a further 180 day forbearance, and can be ex-

tended another 180 days, but borrowers must ask for it and affirm that hardship is because of COVID-19. No fees, penalties or even interest should accrue during the forbearance periods. CARES does not address what happens after the forbearance periods.

3. Big changes to unemployment. 3 new kinds of unemployment compensation; first, pandemic: adds \$600 per week to unemployment comp through July 31, 2020; second, pandemic emergency unemployment insurance (UI), adds 13 weeks to whatever UI they were receiving (usually 26 weeks). Third, removes waiting week, CARES Act allows states to waive that so people can apply immediately. Third, pandemic unemployment assistance (PUA), applies to people in the gig economy, independent contractors, etc. This will make many more people eligible for UI, for up to 39 weeks. Unemployed & eligible? Apply NOW.
4. Student loans. The CARES Act provides a 6 month extension of payments, until Sept. 30, 2020 for any student loan held by the federal government. 60 days of interest will be waived. If your loans are federal direct loans, held by the Dept. of Education, they are eligible. But if they are the older FFEL loan, no. Also not covered- state guaranteed student loans or private loans, unless they have their own programs which provide for extensions. Borrowers should receive notice on when payments will be stopped and when they will have to resume. The 6 month extension does not apply to the required repayment periods of income-driven repayment plans, which last 20 or 25 years. Wage garnishments and seizure of tax refunds for student loans should stop for the next 6 months. Through end of 2020, employers can pay towards employees' student loans, and not have it count towards their income.
5. Lots more changes. More next month or see our website. ■

Thank You For Your Referrals!

We accept referred cases in the following areas-

Chapters 7 & 13 Bankruptcy.

I.R.S. Settlements and Payment Plans.

ARE YOU IN CHAPTER 13 WITH OUR OFFICE NOW?

PLEASE always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly. You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to www.ndc.org to set up your user ID and password.

Are your chapter 13 plan payment too high? Lose job or overtime? It may be possible to surrender property or if your situation has changed to lower your payments. If this is your situation, contact our office for an appointment to prepare a Motion to Modify.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.



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A Little Humor – The “flag” edition...

A visitor from Holland was chatting with his American friend and was jokingly explaining about the red, white, and blue in the Dutch flag.

“Our flag symbolizes our taxes,” he said. “We get red when we talk about them, white when we get our tax bill, and blue after we pay them.”

“That’s the same with us,” the American said, “only we see stars, too.”