



## Upsolve FAQ

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### **What is Upsolve and what do you do?**

Upsolve is a Brooklyn-based nonprofit that helps low-income New Yorkers file for Chapter 7 bankruptcy for free. We're supported by the Robin Hood Foundation, Harvard, and Yale Law School.

### **What is Chapter 7 bankruptcy?**

Bankruptcy is a legal process that erases all of your medical and credit card debt. It also erases any debt you have from civil judgments against you. If your wages are being garnished because you owe a creditor, bankruptcy could stop the garnishments.

Bankruptcy does not erase student loan debt and may or may not erase back taxes you owe. Bankruptcy also does not erase any alimony or child support that you owe.

### **Why would someone want to file for bankruptcy?**

If you have over \$10,000 in debt that you don't think you'll ever be able to pay back and your credit score is less than 600, you're probably a good candidate for bankruptcy. Since your credit score is already low, bankruptcy is unlikely to have a significant effect on your ability to access credit and may even improve your ability to access credit.

Bankruptcy provides a fresh start and you won't have to worry about paying your creditors. It will also eliminate any harassing phone calls you receive to pay your creditors. If you have the type of debt that can be erased, filing for bankruptcy will mean that money you earn will now go to your pocket rather than paying creditors.

### **Why would someone not want to file for bankruptcy?**

If you have less than \$10,000 in debt, you probably shouldn't file for bankruptcy. There may be better options—like trying to negotiate with your creditors to pay back your debt at a lesser amount.

Bankruptcy stays on your credit report for 10 years. So if you have medium to good credit now, bankruptcy will hurt your chances at applying for a loan or getting a credit card. If you're using credit cards now, you will likely lose them after you file for bankruptcy.



## **Can I keep my property (clothes, jewelry, car, etc.)?**

In most cases, yes. If the total worth of your assets/property total under about \$20,000, you'll generally be able to keep everything. If you own more than that, you still may be able to keep everything, but we need to hear about your circumstances. Upsolve will give you a personal assessment based on your situation.

## **Why is this program being marketed to low income people that are already struggling with creating credit in the first place?**

If you have less than 600 credit score and over \$10,000 in debt, your ability to access credit may improve after filing for bankruptcy. Creditors may be more willing to give you money because they know you don't have to pay anyone else back.

## **How does Upsolve work?**

Someone who is thinking about bankruptcy should go to [www.Upsolve.org](http://www.Upsolve.org) and fill out our online screening survey. If they qualify for our service, we'll ask them for their name, phone number, and email.

We then give the person a call to make sure bankruptcy is the right option. If it is the right option, we invite the client to come to our Brooklyn office to help them prepare their paperwork to file for bankruptcy. The paperwork is very difficult to do on your own. That's why we exist!

Our staff attorney works with the client to review the paperwork. After we prepare their paperwork, the client delivers it to the court to file. 3-6 weeks after they file for bankruptcy, the client has a 5-minute meeting with the Trustee, a court official who oversees the case. We prepare the client for this meeting. The Trustee asks a few basic questions about what the client earns, spends, and owns. The debt is officially discharged 1-2 months after this meeting.

## **Who qualifies for Upsolve?**

Here are the basic qualifications for our service. We always have a phone call with our clients to confirm that bankruptcy and our particular service are right for them.

- Over \$10,000 in credit card or medical debts, or civil judgements
- Less than 600 credit score (or right around 600)
- Hasn't filed bankruptcy in the last 8 years
- Doesn't own a house or apartment
- Earns less than:
  - \$49,086 for a one-person household
  - \$62,451 for a two-person household
  - \$72,074 for a three-person household
  - \$88,747 for a four-person household
- Currently not operating a business
- Doesn't owe back rent on current house/apartment



### **How much does Upsolve cost?**

We're a nonprofit and we're free for our clients. If you earn more than 150% of the poverty line, the court charges you a \$335 filing fee. You'll also have to pay about \$30 for two online courses the government requires people who file for bankruptcy pay. If you earn less than 150% of the poverty line, bankruptcy you don't have to pay either the \$335 or the \$30.

If you earn less than these amounts, you won't have to pay anything to anyone:

- \$17,820 for a one-person household
- \$24,030 for a two-person household
- \$30,240 for a three-person household
- \$36,450 for a four-person household

### **What are Chapter 11 and 13 bankruptcies?**

Upsolve only assists people who file for Chapter 7 bankruptcy. Chapter 11 bankruptcy is for businesses. Chapter 13 is designed for debtors with regular income who can pay back at least a portion of their debts through a repayment plan. If you earn over the median income and don't qualify for Chapter 7, Chapter 13 may be the best option for you.

Upsolve only assists clients with Chapter 7 bankruptcy. If you're considering Chapter 13, we recommend you hire a lawyer.