Duties of Chapter 7 and Chapter 13 Bankruptcy Trustees

by Windtberg & Zdancewicz, PLC on September 11, 2013

Along with the creditor and the debtor, the U.S. Chapter 7 or Chapter 13 Trustee is also a major party in a bankruptcy case. It is the trustee who determines what, why, when and how each aspect of the case works through the process.

Bankruptcy trustees are not government employees, though they are appointed by, and accountable to, the Office of the U.S. Trustee, which is a division of the U.S. Department of Justice. Besides their duties in bankruptcy cases, trustees often practice other professions such as law or accountancy.

Chapter 7 trustees are known as "panel" or "case" trustees, while Chapter 13 trustees are called "standing trustees." Before assuming their duties in bankruptcy proceedings, all trustees must be vetted by the FBI and bonded.

Both Chapter 7 and 13 trustee duties include:

- Reviewing all bankruptcy documentation, asset information, and other relevant information pertaining to the debtor
- Conducting the Meeting of Creditors
- Questioning the debtor about particulars of the bankruptcy filing
- Addressing creditors' proofs of claim
- Determining the value of a debtor's assets
- Identifying/nullifying/objecting to improperly filed liens or fraudulent transfers

In a Chapter 7 case, the trustee's duties may also include liquidating the debtor's non-exempt assets to begin paying unsecured creditors. Chapter 13 trustees are responsible for reviewing and administering the bankruptcy repayment plan, which includes monitoring payments and accounting, for as long as the plan is in effect (generally, three to five years).

If you would like more information about the role of the trustee in bankruptcy, creditors' rights, or if you need assistance from an attorney, **contact** <u>Windtberg & Zdancewicz</u> **to schedule an initial consultation.**

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