



FARE Program

Arizona Supreme Court, Administrative Office of the Courts

Court Checklist for Bankruptcy

Court Requirements Notice of Filing

- Upon receiving a Notice of Chapter 7 or Chapter 13 Bankruptcy, the court **MUST** cease all collection efforts. **This is a Federal requirement.**
 - The court must recall the case from collections and remove FARE Special Collections Fee and Delinquency Fee. The court ***may not attempt to collect the debt*** by sending a letter or placing a phone call.
 - The suspension of a driver license is deemed to be a collection effort and cannot be imposed.
 - Filing a petition under **Chapter 13** “automatically stays” (stops) most collection actions against the debtor or the debtor’s property per 11 U.S.C § 362.
- CIVIL TRAFFIC**
 - If the case has any civil traffic charges that are in default, the default must be set aside and abstract sent to MVD.
- Tax Interceptions (TIP)**
 - Tax interception is considered a collection effort and must cease.
 - If your court is an AUTOTIP Court, recalling the case from FARE will also remove the case from TIP.
 - If your court updates TIP manually, you must zero-out the balance in the TIP software.
 - If your court is a Non-TIP court, correct case in CMS and send updated export file.

Court Requirements for Filing a Proof of Claim Form

- Chapter 13**
 - In a Chapter 13 Bankruptcy, civil fines are dischargeable. However, filing a Proof of Claim form, prior to Notice of Discharge, is recommended so that the court may recover monetary obligations owed, although it may not be the full amount.
- Chapter 7**
 - In a Chapter 7 Bankruptcy, court fines, both civil and criminal, are not dischargeable. However, it may be beneficial to file a Proof of Claim Form because of the probability that a Chapter 7 could convert into a Chapter 13.
 - **Proof of Claim Form and Instructions can be located at the following:**
<http://azb.uscourts.gov/proof-claim-form-and-instructions>

Court Requirements for Chapter 7 Notice of Discharge

- Upon receiving a Notice of Discharge for Chapter 7, you may resume collection efforts by re-assigning the case to your collection vendor and re-establishing any fees associated with collections. **A Court Bankruptcy Discharge Form is required to be completed for delinquent collections to continue.**
 - The bankruptcy code excludes criminal fines, penalties, forfeitures which includes traffic, parking and similar penalties, both criminal and civil, from discharge in a Chapter 7 Bankruptcy because § 523 (a)(7) makes a “fine” non-dischargeable.
- CIVIL TRAFFIC**
 - If the case has any civil traffic charges, the default and license suspension can be re-established and abstract sent to MVD.
- Tax Interceptions (TIP)**
 - If your court is an AUTOTIP Court, re-assignment to FARE will repopulate the case in TIP.
 - If your court updates TIP manually, you will need to re-enter the current balance in TIP.
 - If your court is a Non-TIP court, correct case in CMS and send updated export file.



FARE Program

Arizona Supreme Court, Administrative Office of the Courts

Court Checklist for Bankruptcy

Court Requirements for Chapter 13 Notice of Discharge

- The bankruptcy code will grant a discharge after the debtor has successfully completed all payments proposed under the bankruptcy plan (there are exceptions to this rule). A Court Bankruptcy Discharge Form is required to be completed for delinquent collections to continue.**
 - Per § 1328(a)(3) the discharge excludes only a debt “for restitution, or a criminal fine, included in a sentence on the debtor’s conviction of a crime.”
 - Since this language is more limiting than provided in § 523(a)(7), it provides broader relief for the debtor.
 - Consequently, since it limits non-dischargeable fines to criminal fines, civil fines are dischargeable in a Chapter 13 Bankruptcy.
- CIVIL CASE**
 - If the case is civil, the remaining sentence is dischargeable and collections may not resume.
 - Suspend any remaining balance on the case
 - Change the disposition on all applicable charges to a final disposition and send abstract to MVD.
- CRIMINAL CASE**
 - Upon Receiving a Notice of Discharge for Chapter 13 for a criminal case, you may resume collection efforts by re-assigning the case to your collection vendor and re-establishing any fees associated with collections.
- Tax Interceptions (TIP)**
 - If your court is an AUTOTIP Court, re-assignment to FARE will repopulate the case in TIP.
 - If your court updates TIP manually, you will need to re-enter the current balance in TIP.
 - If your court is a Non-TIP court, correct case in CMS and send updated export file.

Helpful Links

- Voice Case Information System (VCIS) to Bankruptcy Case Information
 - https://www.pacer.gov/phone_access.html