

What to do When Facing a Citation to Discover Assets

A court-ordered payment plan must be paid off in three years. Honor it, and stay in communication with the creditor if you can't.

CHICAGO, ILLINOIS, UNITED STATES, April 26, 2022 /EINPresswire.com/ -- When a creditor gets a judgment on you, they do their best to find all your assets. It's not personal. It is painful. Creditors do this because they know you're not likely to pay off the judgment. If you could, you would have done so already. It's irrelevant if you're unemployed, underemployed, or if you just don't think you owe that amount. The courts have already decided you do owe what your creditor claims. And they have a court order allowing the creditor to go after your assets to get paid what they're owed. With this judgment against you, they are free to go after any assets you own to pay off the judgment. They will find your assets using something called "A Citation to Discover Assets."

What is A Citation to Discover Assets?

A Citation to Discover Assets is an intimidating legal term that describes a court document. This document requires the debtor to come to court and answer questions about their property, income, and other things of value they may own. You can't lie about your assets at this meeting. The court expects you to reveal this information and be honest about it, and not hide or omit assets. Transferring your car or home title to your family to avoid naming it as an asset or squirreling away your valuables in a storage unit in another state and lying about it are generally frowned upon by the courts and your creditors. Doing such things can make your legal issues worst. When you've dug a financial or legal hole for yourself, the first step to getting out of it is to stop digging. Once your assets are revealed, the judgment creditor can try to get that property or income to pay the judgment if it is not protected by law.

What is An Asset?

An asset is anything you own that has value. It can be your house, car, 401K, checking or savings account, income, jewelry, tools, boats, wages, etc., in other words, anything physical or intangible that can be sold or used to generate cash.

How To Avoid Having Assets Seized:

There are two ways to legally avoid having assets seized and sold:

1. Pay the Creditor What They're Owed

The best way to avoid having assets seized and sold is to pay the creditor the amount owed. Once paid, make sure they sign a Satisfaction and Release of Judgment form. Make a copy for your files, then file the original form at your County Court Clerk's office. This tells anyone with an interest in your debt that you have paid the judgment in full.

If the creditor doesn't sign the form or refuses to sign the form, you can file a motion asking the judge to sign the release. The Court Clerk's office will explain how to fill out that form and what steps to take next.

2. Negotiate an Installment Plan.

In the eyes of the court, not being able to afford to pay off the judgment is no excuse for not paying what is owed. The creditor must still be paid off — either by coming up with an installment plan or by selling something generate cash to pay the debt.

Don't set up an installment plan verbally or over the telephone. Sit down and figure out how much can be afforded to pay, no matter how small and how much would be an extreme hardship to pay. This may be only \$25 a month, but the creditor wants \$100. If \$100 a month or \$50 a month would strain available resources, it's essential to know this. If something else happens where the payments can't be met, things will default back to the creditor seizing assets.

Put a proposed payment plan in writing. It doesn't have to be fancy, but it should include dates, names, the time, and the terms of the agreement between you. See if the judgment creditor will agree to your plan. If you can get the creditor to agree to an installment plan, it may save you time, effort, and stress and prevent them from starting a wage garnishment proceeding or other legal action against you. Garnishment can throw you into even greater financial issues. Have them sign the agreement and keep a copy of the signed and dated agreement for yourself as well.

Fortunately, a creditor doesn't have the last say on accepting a plan or not. If the creditor doesn't agree to a plan, a motion can be filed asking the judge to approve it. If the judge approves the plan, they may stop all other collection efforts while payments are being made.

A court-ordered payment plan generally must be paid off within three years. No matter what is agreed upon, it is best to honor it and to stay in communication with the creditor if you can't. The courts take these plans very seriously. So, don't propose an installment plan unless sure that the payments can be made time. Most creditors are willing to be a little flexible if there are legitimate issues that delay payment, but they still expect to be paid. When having trouble dealing with a

citation to discover assets, it's always recommended to seek the help of a [professional bankruptcy attorney](#) to help navigate you through the ordeal.

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