



## **IMPORTANT INFORMATION ABOUT JOINT DEBT, JOINT AND SEVERAL DEBT, AND CO-SIGNED DEBT**

A debt is “joint” if it is incurred by two or more people. A debt is “joint and several” if it is incurred by two or more people and each person is responsible for paying the entire debt. Almost all contractual joint debt is actually “joint and several” debt. You might be liable for debts that you aren’t even aware of.

The most common example is credit card debt when the card is in both spouses’ names and when both spouses have signed the original credit card application (not the same thing as an “Authorized User). When spouses get divorced, all joint credit cards should be cancelled and reissued, or you might find yourself liable for the debts your ex-husband or ex-wife incurred on the card years after your divorce.

“Co-signed” debt is debt that is guaranteed by someone else, usually a friend or a relative who doesn’t fully realize that co-signed debt has all of the legal consequences of borrowing the money with none of the benefits. Most lenders require that business debt be co-signed. If the borrower doesn’t pay, the lender goes after the co-signer for the full amount. Co-signed debt is generally listed as “contingent” because the lender doesn’t usually look to the co-signer for payment unless and until the primary debtor stops making payments or files for bankruptcy.

IT IS IMPORTANT THAT YOU LIST ALL JOINT DEBT AND ALL CO-SIGNED DEBT  
ON YOUR BANKRUPTCY SCHEDULES.

- 1) If you have any joint debts with other people, you must list their names and addresses.
- 2) If someone has co-signed a debt for you, you must list their names and addresses.
- 3) If you have co-signed a debt for someone else, you must list the name and address of the primary creditor and the amount of the debt, as well as the names and addresses of all other co-signers and joint debtors who might be liable for the debt with you.

## **IF YOU HAVE ANY QUESTIONS, ASK YOUR ATTORNEY.**