 Department of Children & Family Services <i>Building a Stronger Louisiana</i>	Division/Section	Family Support
	Chapter No./Name	9 – Child Support Enforcement (CSE)
	Part No./Name	L – Legal
	Section No./Name	L – 700 Bankruptcy Proceedings
	Document No./Name	L-740 Suppression of Enforcement Actions
	Effective Date	August 1, 2024

I. STATEMENT OF POLICY

When an NCP files for bankruptcy protection, the federal bankruptcy code places restrictions on enforcement actions (See [L-720](#)). Special bankruptcy procedures are to be followed by the field immediately after the Attorney Supervisor or staff attorney notifies the caseworker that the plan meets CSE requirements for repayment of arrears.

When it is verified that an NCP has filed for bankruptcy relief, it is necessary to cease enforcement actions, unless specifically authorized by the bankruptcy court.

II. PROCEDURES

* Notice of Chapter 7 Bankruptcy **

To suppress federal offset and state tax refund offset in **Chapter 7** bankruptcy proceedings, the following screens are the only ones that need to be updated:

- On the APD1 screen, the BANKRUPTCY indicator is changed to 'Y';
- In the BANKRUPTCY TYPE indicator field on APD1, enter a code by pressing F2 and choosing the bankruptcy type chapter 7;
- On the APD3 screen, enter 'Y' in the TAX field for the offset exclusion indicators;
- On the LICD/DEDU screens, the STX SUP indicator is changed to 'Y';
- On CAS1, WEB EXC is changed to 'Y', and ENF SUP is changed to 'Y';
- Add/updates made to the BANKRUPTCY TYPE field will automatically write a CALO (E)nforcement entry on all open and/or closed case(s) for the NCP. ***

* CSE staff should immediately place a posting hold on the case if a tax offset certification has been submitted.


If an income assignment order is in place and it includes arrears when the Chapter 7 plan is confirmed, CSE can only withhold for current support until the Chapter 7 bankruptcy is complete. The caseworker will need to send an updated income assignment order to the NCP's employer.

Note: Keep the suppressions until the NCP's bankruptcy is discharged.

Notice of Chapter 13 bankruptcy

To suppress enforcement actions upon notice in **Chapter 13** bankruptcy proceedings, the following screens are the only ones that need to be updated: **

- *** The ENF SUP indicator and WEB EXC are changed to 'Y' on CAS1;
- The BANKRUPTCY indicator on APD1 is changed to 'Y';

 Department of Children & Family Services <i>Building a Stronger Louisiana</i>	Division/Section	Family Support
	Chapter No./Name	9 – Child Support Enforcement (CSE)
	Part No./Name	L – Legal
	Section No./Name	L – 700 Bankruptcy Proceedings
	Document No./Name	L-740 Suppression of Enforcement Actions
	Effective Date	August 1, 2024

- In the BANKRUPTCY TYPE indicator on APD1, enter a code by pressing F2 and choosing the bankruptcy type chapter 13;
- The STX SUP indicator and DEL SUP indicator are changed to 'Y' on LICD/DEDU;
- CONSUMER REPORTING SUPPRESSION CODE on CORD is changed to 'Y';
- LIC SUSP SUP is changed to 'Y' on LISU;
- Passport Denial indicator is changed to 'N';
- On the APD3 screen, enter Y in the tax field for the offset exclusion indicator;
- On the APD3 screen, the STATE LOTTERY EXCL indicator is changed to 'Y' or 'BLANK'; (This will show NCP is removed from weekly submittal).
- Add/updates made to the BANKRUPTCY TYPE field will automatically write a CALO(E)nforcement entry on all open and/or closed case(s) for the NCP. ***

* CSE staff should immediately place a posting hold on the case if a tax offset certification has been submitted. Staff should add a reminder to follow-up on the posting hold after 3 months.


If an income assignment order is in place and it includes arrears when the Chapter 13 plan is confirmed, CSE can only withhold for current support until the Chapter 13 bankruptcy is complete. The caseworker must send an updated income assignment order to the NCP's employer requesting current support only. **

Note: The INAD (Income Assignment Details) screen will notify the caseworker to review the Override Amount field if populated with an amount; and the COOD (Court Order Data) screen will notify the caseworker to review the IA Override field if populated with an amount. INAD should generate 'O'riginal or 'A'mended CSE415 to current employer for current support only when ENF SUP is Y on CAS1, and on APD1 the Bankruptcy Indicator is Y, and the Bankruptcy Type is 7 or 13.

When notification is received that the bankruptcy proceedings are dismissed, discharged or the automatic stay is lifted, all suppression indicators and posting holds must be appropriately removed. Some bankruptcy cases may exceed the allotted 60 months (5 years); therefore, it may be necessary to keep the case suppressions active when we have not received a dismissal or notice that the automatic stay has been lifted. Before deciding whether the case suppressions should remain active, CSE staff should verify the case status by calling the bankruptcy court or the Attorney Supervisor should use PACERS to determine if the bankruptcy case is still ongoing.

Note: The Attorney Supervisors are to check PACERS regularly to monitor the bankruptcy case (where feasible) for dismissal or discharge. The caseworker must update the BANKRUPTCY Indicator on APD1 to "N" after the bankruptcy case has been discharged, dismissed, or after being notified that the automatic stay has been lifted.

All payments will then go into 'P' Suspense and a task or alert will be generated to the User. Complete a Journal Request via CAFÉ with instructions to journal the tax offset payment to the NCP.

 Department of Children & Family Services <i>Building a Stronger Louisiana</i>	Division/Section	Family Support
	Chapter No./Name	9 – Child Support Enforcement (CSE)
	Part No./Name	L – Legal
	Section No./Name	L – 700 Bankruptcy Proceedings
	Document No./Name	L-740 Suppression of Enforcement Actions
	Effective Date	August 1, 2024

III. FORMS AND INSTRUCTIONS

There are no forms and instructions associated with this policy.

IV. REFERENCES

There are no references associated with this policy.