



Questions regarding Bankruptcy or preference claims call 800-770-2827

Chapter 7 Bankruptcy

Chapter 7 bankruptcy, sometimes called a straight bankruptcy is a liquidation proceeding. The debtor turns over all non-exempt property to the bankruptcy trustee who then converts it to cash for distribution to the creditors. The debtor receives a discharge of all dischargeable debts usually within four months. In the vast majority of cases the debtor has no assets that he would lose so Chapter 7 will give that person a relatively quick "fresh start".

One of the main purposes of Bankruptcy Law is to give a person, who is hopelessly burdened with debt, a fresh start by wiping out his or her debts.

Chapter 13 Bankruptcy

Chapter 13 Bankruptcy is also known as a reorganization bankruptcy. Chapter 13 bankruptcy is filed by individuals who want to pay off their debts over a period of three to five years. This type of bankruptcy appeals to individuals who have non-exempt property that they want to keep. It is also only an option for individuals who have predictable income and whose income is sufficient to pay their reasonable expenses with some amount left over to pay off their debts.