

## Chapter 7 Process Versus Bankruptcy Chapter 13 Process

In some ways, the process in bankruptcy Chapter 7 and bankruptcy Chapter 13 are the same, but in many ways they differ. In both, you file a Voluntary Petition and related documents prepared with the help of an attorney. In both, you attend a 341 meeting of creditors where you are examined by a Trustee regarding the Voluntary Petition and related documents. That is where the similarities end.

In a bankruptcy Chapter 7, you do not make payments to the Trustee. You may continue to pay a mortgage or car loan and keep the house or car by signing a "reaffirmation agreement" which makes it as though you did not file bankruptcy on that particular loan. Chapter 7 also gives you an option to redeem a vehicle, by paying the secured creditor the value of the collateral in exchange for a release by the creditor of their lien. The Chapter 7 process is relatively short, lasting approximately 3.5 months from filing to discharge. There are usually no motions filed by anyone in a chapter 7 case. Nevertheless, the process is complicated, and there are many pitfalls for the unwary, so we urge you to hire an experienced attorney. If you have low income but a lot of unsecured credit card or medical debt, Chapter 7 is for you.

In a bankruptcy Chapter 13, you do make payments to the Trustee, with the first payment due 30 days after your case is filed. Also, in addition to a Voluntary petition and related documents, you file a Chapter 13 repayment plan, proposing to repay your debts by making 36-60 monthly payments to the Trustee. After the 341 meeting of creditors, there is another hearing called a "confirmation hearing" where your case goes before the Judge. You do not have to attend the confirmation hearing, but your attorney will be there to represent you. Creditors can file objections to confirmation if they have a problem with the proposed Chapter 13 repayment Plan. Your case will be confirmed by the Judge at the confirmation hearing if you are current with your Chapter 13 payments to the Trustee, any amendments requested by the Trustee have been filed, and any objections filed by your creditors have been resolved. After that, all you have to do is make all your monthly payments under the confirmed Chapter 13 repayment and you will receive your discharge. There are usually many motions filed by creditors, the Trustee, and by your attorney on your behalf, during a Chapter 13 case. Chapter 13 is even more complicated than Chapter 7, so do not attempt to proceed without an

experienced attorney. We have represented thousands of Chapter 13 clients, and are a fixture in the bankruptcy courtrooms throughout the land.