



Chapter 7 Bankruptcy



Top 10 chapter 7 bankruptcy questions answered.

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How We Can Help

As you probably know, debt is among the top concerns of many American families and small business owners. It may even be one of yours. "Will my family's mounting debt result in bankruptcy?" "What happens if our house goes into foreclosure?" "How will my family survive?" "What is the difference between a Chapter 7 and Chapter 13?" "Do I qualify for bankruptcy?" If these questions sound familiar to you or someone you know, we can help ease your worry about bankruptcy.

At Pascuzzi, Moore and Stoker, we help people in financial trouble understand their options, make choices, and take actions to prevent debt problems from spiraling out of control. We help our clients to make informed decisions that protect the security of their families. We know that we can help you address your concerns about debt, bankruptcy and foreclosure because we have already helped many people just like you.

Note: This eBook discusses general information about chapter 7 bankruptcy and is not intended to be legal advice. It is provided for informational purposes only.



1. What is chapter 7?

Chapter 7 is the most common form of bankruptcy. It is commonly referred to as a “walk away” from your debt. In exchange for being able to “walk away”, a bankruptcy trustee sells any non-exempt assets and the proceeds are given to your creditors. Most people who file Chapter 7 do not have any non-exempt assets and thus they are able to keep their property.

Chapter 7 is available to individuals, married couples, partnerships and corporations.

2. Do I qualify for chapter 7?

In order to qualify for a chapter 7, your gross income over the past six months must be below the median income for the State of California based on your household size. Additionally, you cannot have filed a previous chapter 7 bankruptcy within the last eight years.

3. How much does a chapter 7 bankruptcy cost?

The filing fee for a chapter 7 bankruptcy is \$299 in the Eastern District of California. The attorney’s fee is based on the complexity of your specific situation. We offer a free in office consultation that allows us to get a better idea of what type of debt is involved before quoting attorneys fee.

4. How long does the Chapter 7 bankruptcy take?

From the time of filing your bankruptcy petition, it usually takes 90 – 120 days for your discharge to be entered. You will be required to attend a “meeting of the creditors” approximately 30 days after filing your petition. The meeting of the creditors is where the trustee, along with any creditors, has an opportunity to ask you questions under oath about the petition you filed. Creditors usually do not appear at the meeting of the creditors.

5. Will everyone know I filed bankruptcy?

Bankruptcy is a legal process and a matter of public record. The Fresno Bee does currently publish local bankruptcy filings with over \$100,000 in debt in the Sunday paper.



6. Can I keep my belongings in a chapter 7 bankruptcy?

The bankruptcy code allows you to keep basic assets deemed necessary for a "fresh start" after bankruptcy. That property is referred to as "exempt property". California has two sets of exemptions that you can choose from to protect your assets. You must choose one set or the other.

The first set is designed primarily for people who have equity in their home. It allows a certain amount of protection for household goods, vehicles, and clothing and includes a generous exemption for equity in your residence.

The second set of exemptions also allows a certain amount for protection of personal property, but it also includes a "wildcard" amount of about \$21,000 that you can use to protect any kind of property.

7. Will I lose my retirement in a chapter 7 bankruptcy?

Most qualified retirement plans are unaffected by a bankruptcy filing, either because they are not considered property of the estate or because they may be claimed exempt.

8. Will I lose my home in a chapter 7 bankruptcy?

If there is no equity in your home, the trustee will abandon the property to you. You will be able to keep the property so long as you are current on your mortgage. If there is equity in your home, you will need to determine if the equity will be considered exempt, in which case you will be able to keep the property as long as you are current on your mortgage.

If you are not current on your mortgage, chapter 7 bankruptcy is usually not the best alternative because it will only temporarily stop a foreclosure. Chapter 13 might be a better alternative if you are behind on your mortgage payments but you will have to consult with an attorney.

9. How long does a chapter 7 bankruptcy stay on my credit report?

A chapter 7 bankruptcy usually stays on your credit report for 10 years.



10. Why should I hire an attorney instead of a paralegal or doing it myself?

The bankruptcy process can be complex and stressful-it is much more than just filling out some papers. You want your bankruptcy petition to be completed accurately so that the process is done as soon as possible. By hiring an attorney, s/he will be able to give you legal advice on what you can and cannot exempt. At Pascuzzi, Moore & Stoker, we provide complete representation from start to finish. From the outset, we begin to field calls from harassing creditors and advise you in detail about each step of the process.

This eBook is not intended to constitute legal advice. It is provided for informational purposes only. We welcome the opportunity of working with you to help you determine whether or not to file bankruptcy and get a fresh start. We are a debt relief agency. We help people file bankruptcy petitions to obtain relief under the bankruptcy code.