



Blog Post for Behm Law Group

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Chapter 7, Chapter 12, and Chapter 13 bankruptcy

The three types of bankruptcy that people file for are Chapter 7, Chapter 12, and Chapter 13. A Minnesota personal bankruptcy attorney can evaluate your financial situation and advise you which type is best for you. However, you generally choose Chapter 7, Chapter 12, or Chapter 13 based on the following criteria.

Chapter 7 bankruptcy

Chapter 7 bankruptcy is sometimes referred to as liquidation bankruptcy. However, it isn't as scary as it sounds. Chapter 7 is a good option for people who rent, have little or no equity in their homes, or have few possessions. When you file Chapter 7 bankruptcy, most of your unsecured debts can be discharged.

If you have qualified under the means test and have completed a pre-filing education session with a credit counselor, you can file for Chapter 7 bankruptcy.

Chapter 12 bankruptcy

Chapter 12 is for family farmers who are financially distressed. To qualify, the family farmer must have a regular annual income. If you file for Chapter 12 bankruptcy, you have 3 to 5 years to make payments to your creditors.

Chapter 13 bankruptcy

Chapter 13 bankruptcy is a good option for homeowners with steady incomes and equity in their home. When you file Chapter 13 bankruptcy, you will have 3 to 5 years to make payments on your delinquent accounts. If your unsecured debts are less than \$360,475 and your secured debts are less than \$1,081,400, you can file for Chapter 13 bankruptcy.

No substitute for a bankruptcy law

The preceding criteria are just the beginning. You need a qualified Minnesota bankruptcy attorney to help you choose among Chapter 7, Chapter 12, or Chapter 13 bankruptcy. At Behm Law Group, we limit our practice to bankruptcy law. Our bankruptcy lawyers have helped scores of people in your position. Whether you file for Chapter 7, Chapter 12, or Chapter 13, we will work to get you the freedom you deserve.