

## **Use The Power of Chapter 13 Bankruptcy to Beat Foreclosure**

### **Stop Mortgage Foreclosure Automatically With The Power of Chapter 13 Bankruptcy**

If you have already exhausted other avenues, and your foreclosure is imminent, you can use the Federal Power of Chapter 13 Bankruptcy. Upon filing the Petition for Chapter 13, you are immediately granted an "Order for Relief", which imposes the automatic stay in bankruptcy. It's basically a Federally imposed restraining order against all creditors, taxing authorities, and mortgage foreclosure companies. This is the main reason many homeowners are filing Chapter 13, to get the automatic stay of foreclosure, and breathing room to reorganize their debt. But you must act now, and have your filing complete before the foreclosure sale.

A Chapter 13, also known as a Wage Earner's Plan, is a court approved repayment plan. There are certain conditions to qualify, such as regular income. The Chapter 13 plan is created by the attorney based on your debt, assets, income and expenses. You will be proposing a repayment plan to the Court and creditors. You simply make your Chapter 13 Plan payment and your Mortgage Payment. The default amount owed to your lender will be paid over the time period set in your plan, often 5 years, meanwhile you keep the mortgage payment current.

In today's market, many homeowners have more than one mortgage and would not be able to make the other mortgage payments. However, the power of Chapter 13 can again help you. In some cases you might be able to strip the second or remaining mortgages so you can focus on bringing the first mortgage current over the life of the Chapter 13 plan.