



## **Hardship Discharge in Chapter 13 Bankruptcy: What is It?**

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If you're dealing with excessive personal debt, and you are considering bankruptcy as a solution, you will have two options: [Chapter 7 bankruptcy](#) erases your liability for most debts, so you will not be required to pay them back; [Chapter 13 bankruptcy](#), conversely, allows you to pay your debts over an extended time period (typically three to five years), so you can satisfy your debt obligations while still being able to keep part of your income for reasonable living expenses.

Many types of personal property are considered exempt under [Chapter 7 bankruptcy](#) (meaning that you will get to keep it), you will typically lose other types of property, such as your home and your car with values that exceed the amounts permitted under your applicable state (or federal) laws. Because these important assets are not [exempt](#), many people elect to file for [Chapter 13 bankruptcy](#) protection instead this way, these assets won't be taken and liquidated by the bankruptcy trustee.

If, at a later date, you find that you cannot make the payments you agreed to in a [Chapter 13](#) filing, you may be eligible for a hardship [discharge](#). This means that you can be relieved of the obligation of paying off your debts, even though you agreed to pay.

If you need to obtain a hardship [discharge](#), contact your attorney to make sure that your [Chapter 13 bankruptcy](#) cannot be converted to a [Chapter 7](#) if it can, you might not be able to obtain the [discharge](#).

The definition of hardship varies from state to state, but generally speaking, you will have to suffer a significant injury or otherwise become unable to work to qualify for a hardship [discharge](#). Your bankruptcy attorney will be able to give you the specific criteria.

Keep in mind, though, that a hardship [discharge](#) will not erase certain types of debt, such as student loans and child support. Some types of federal, state, and local taxes will also be unaffected by a hardship [discharge](#).

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