



Can I Keep My Car if I File Chapter 7 in New York?

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If you're thinking about filing [Chapter 7](#) in New York, you've probably wondered whether or not you will get to keep your car after you receive your [discharge](#). If you're like most of us, you'll still have a job to go to every day, so you'll need a means of transportation to get there.

It's important to discuss your specific situation with a New York bankruptcy lawyer; however, here is some general information to help you determine if you will be able to keep your car:

- If you own the vehicle, and are not making loan or lease payments, you will likely be able to keep the car so long as the car is worth less than \$2,400. The value is based on the trade-in value, not the amount of money it would cost you to buy the car brand new at a dealer.
- If you are still making loan or lease payments on your car and you don't want to keep making your payments, the vehicle will be taken by the lender. If the lender sells the car and there is money left over, the trustee will take those funds and pay your creditors.
- If you are making loan or lease payments, and you want to keep the car, you have a couple of options. First, you can buy the car outright by paying a lump sum (referred to as a redemption). Second, you can agree to continue making payments through reaffirmation.
- Depending on your lender, the option of ride-through may exist. Though informal, it involves you continuing to make payments even after the bankruptcy is finished. Beware, though - your lender may decide to repossess the car (or try to) even if you're making payments post-bankruptcy. Always discuss the "rid

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through" options with your lawyer before sticking your foot in those waters.

Here's one thing to keep in mind about reaffirmations, though if you can't make your payments, and your car is worth less than the loan balance, you'll have to pay the difference even if the creditor takes your car!

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