

Bankruptcy & Your Mortgage Troubles

By: Jerry R. Lowe

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[Chapter 13 bankruptcy](#) is for [debtors](#) who want to reorganize their finances. The debtor proposes a plan which outlines how the creditors will be repaid. Once the court approves the plan, the trustee is responsible for distributing payments according the plan. But what happens if you are in a Chapter 13 case and you are behind on your mortgage payments?

You can amend your Chapter 13 plan to include the post-petition delinquent amounts. Naturally, your monthly payments to the trustee will increase, but it will allow you to get caught-up on your payments.

It is also possible to work out an arrangement with your lender which would allow you to get caught-up on your past due amounts. This is only a likely option if your financial set-back was temporary.

You can request a mortgage loan modification with your lender. A debtor can negotiate with his lender while his case is pending, but if you are able to obtain a modification of your loan, the bankruptcy court will have to approve it.

While not an option many will choose, it is possible to have your case dismissed then refile a new bankruptcy. You will want to thoroughly discuss this option with your lawyer before making this decision.

Finally, you may be able to convert your case to a [Chapter 7](#). Again, this is an option that has several consequences, so you will want to discuss it with your lawyer. For more information on converting your case, read my blog titled [“Conversion of a Bankruptcy Case.”](#)

About Jerry R. Lowe

If you are considering filing for bankruptcy protection, call Fresno bankruptcy attorney [Jerry R. Lowe](#) at [\(559\)513-8535](tel:5595138535). Mr. Lowe provides representation for debtors in Chapter 7 and Chapter 13 bankruptcy matters throughout California's Central Valley in communities such as Fresno, Clovis, Reedley, Sanger, Selma, Madera, Chowchilla, Oakhurst, Coarsegold, Auberry, Prather, Coalinga, Avenal, Corcoran, Hanford, Lemoore, Tulare and Visalia.