

Chapter 7 Bankruptcy: What Debts Are Non-Dischargeable?

As you all may know, filing for chapter 7 bankruptcy protection is often a pretty efficient way to rid yourself of burdensome debt. Don't get me wrong, there are serious ramifications associated with filing bankruptcy - these must be adequately understood and considered prior to filing.

However, as long as you are realistic about your debts and understand which debts may or may not be discharged, you will likely obtain the results you were looking for. In the end, bankruptcy almost always provides my clients with the fresh start they so desired. And for me? Happy clients = happy lawyer in my book.

However, in order to achieve these favorable results, it is absolutely necessary to understand which debts cannot be discharged under chapter 7 bankruptcy protection.

Tax Debt: This one is a little tricky, but generally applies to that debt incurred within the last 3 years. For an in-depth discussion of whether tax debt may be discharged, be sure to explore my previous post on [dischargeable tax debt](#).

Criminal Fines and Associated Debts: Fees and non-fee court ordered judgments pertaining to criminal activity cannot be discharged. This includes judgments involving death or personal injury of another and stemming from your own negligence or criminal activity, including those stemming from DUI.

Student Loans: This is a common point of frustration, but in 99.99% of cases I see (disclaimer: I made up that number, but it is in the ballpark according to my own experience) student loans cannot be discharged. The technical jargon is that they may only be discharged when payment causes undue hardship to debtor or their dependents. For more information, be sure to visit my previous post on whether [private school loans can be discharged](#).

Fraudulent Debts or Dishonest Activity: This is basically an umbrella category that applies to all cases of fraud or deceit, but is most often seen in cases of bankruptcy fraud. An example is the debtor that maxes out their remaining credit cards in the days before filing their petition. I should note that this includes attempts to pay off secured debts with non-secured, and thus dischargeable, funds. This means no taking out cash advances on credit cards, to pay down your alimony and child support.

Alimony & Child Support: Speaking of alimony and child support, it is not dischargeable. This includes provisions made for future division of assets, including [QDROs](#). Stay tuned for an article in the coming weeks regarding filing bankruptcy to discharge debts obtained from property settlements in a divorce proceeding.

Any Debt Not Reported On Petition: This is a biggie. I will generally access your credit report, and use the provided information to report your debts on the bankruptcy petition. However, not all debts appear on your credit report and not all lawyers chose to use this method and. As such, I tell all consultations about this point. I would hate to see you emerge from a bankruptcy, only to realize that you were still on the hook for one or more large debts.

That's it for now, however I will update this list as I go along. As always, bankruptcy is easier (and the results are generally a heck of a lot more favorable) when left to the professionals. If you are in the Phoenix area and are in need of a qualified Arizona bankruptcy attorney, feel free to contact me to arrange a free bankruptcy consultation.

