

If I Forget To List A Debt In My Chapter 7 Bankruptcy, Is That Debt Still Discharged?

Question

Is medical debt incurred before filing chapter 7 bankruptcy, but not included in the creditors matrix, still dischargeable?

Answer:

The answer will depend on the specific context, so there are a few issues to discuss. However, realize that one of the debtor's duties in bankruptcy is to disclose ALL known creditors on the bankruptcy petition. First, in general, in chapter 7 bankruptcy, if a debt is not listed on the matrix (by excusable neglect), that debt is still discharged so long as the chapter 7 bankruptcy is a no asset case. A no asset chapter 7 bankruptcy is a case in which the debtor has no non-exempt assets for the chapter 7 bankruptcy trustee to distribute to creditors; that is, nothing to pay to creditors.

Second, medical debt, in and of itself, has no special status in bankruptcy. Medical debt is classed as general, unsecured debt and is dischargeable.

Third, whether your specific medical debt is dischargeable depends on the context of the debt. For example, I can envision a medical creditor objecting to discharge of its debt if you took out the debt for veneers for your teeth right before bankruptcy. That sort of charge would likely be considered a luxury, or unnecessary, and therefore if you took out such debt, the creditor may object and the court may deem the debt non-dischargeable. However, if the medical procedure was necessary, the debt is most probably dischargeable. A creditor may object to discharge of its debt under bankruptcy code section 523, specifically under subparagraph (2)(A), (B), and (C).

Finally, you may amend your petition to add a creditor at anytime before discharge. So, if you identify a creditor that was left off your bankruptcy petition, you may add that creditor. The bankruptcy court charges \$26 to amend a bankruptcy petition to add creditors. If you

know the debt exists now, you might as well amend your petition and add the creditor.

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