

What Is the Chapter 13 Bankruptcy Process in Arizona?

The Chapter 13 process is different than the Chapter 7 procedures. Prior to the filing of either a Chapter 7 or a Chapter 13 you will provide a large number of documents to this law office and complete a credit counseling course. In either a Chapter 7 or a Chapter 13 this law office will prepare your bankruptcy petition and schedules and in the Chapter 13 bankruptcy case a Chapter 13 plan will be crafted.

The Chapter 13 plan will be either a 36-month plan or a 60-month plan. The length of the Chapter 13 plan will be determined by the application of the Means Test to your financial situation. If you pass the Means Test (have income below the Arizona median income for your household size) you will be able to propose a 36-month plan. If you fail the Means Test (have income in excess of the Arizona median income for your household size) we will have to propose a 60-month plan.

As in a Chapter 7, a Chapter 13 341 Meeting of Creditors usually occurs 30-40 days after the filing of the petition. The Chapter 13 341 hearing can be slightly longer than a Chapter 7 341 meeting, and it generally involves answering a series of questions posed by the Trustee that will roughly outline the Objections to Confirmation that can be expected to be filed.

The reason many clients file for Chapter 13 bankruptcy protection is to stop foreclosure proceedings in order to save their home. The mortgage arrears may be included as part of the Chapter 13 plan and the debtor will be able to retain the home and pay the arrears over the course of the Chapter 13 plan as long as the debtor makes the regular mortgage payments that come due after the chapter 13 filing

Within 30 days of the filing of the Chapter 13 petition the petitioner must begin making the plan payments to the Trustee. If any secured loan payments (typically home and automobile payments) are due prior to plan is confirmation, you must make adequate protection payments directly to the secured lender.

The bankruptcy judge must hold a confirmation hearing no later than 45 days after the meeting of creditors and the judge will determine if the Chapter 13 plan is feasible and meets the standards for confirmation. Creditors will receive 25 days' notice of the hearing and may object to confirmation.

If the court confirms the plan, the chapter 13 trustee will begin to distribute funds received under the plan.

If you are in need of immediate legal information, you may find the content located at <http://www.rkenneylaw.com/bankruptcy.html> helpful or you may contact me by email at ray@rkenneylaw.com or call the office at (623) 234-3536.