



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

December 28, 2011

A Bankruptcy Lawyer's Points on Chapter 13 Bankruptcy

When filing for bankruptcy, the best thing to do to make the process as seamless as possible is to hire a bankruptcy lawyer. A bankruptcy lawyer will do a lot of things for you, not least of which is guide you through the entire process (which can be very complicated, unless you are very well versed with the bankruptcy code). One of the most common types of bankruptcies chosen by individuals is Chapter 13 bankruptcy.

Here are some helpful pointers for your Chapter 13 bankruptcy filing.

Firstly, Chapter 13 bankruptcy is only for individuals and sole proprietors, not for companies or partnerships. If you wish to file for bankruptcy for your company or partnership, you need to file it under Chapter 11 bankruptcy.

Secondly, Chapter 13 bankruptcy is preferred by the bankruptcy court and is easier to gain approval compared to Chapter 7 bankruptcy (the other type of bankruptcy filing for individuals). This is because Chapter 13 bankruptcy involves a payment plan stretched out over a period of time (up to 5 years) whereas Chapter 7 is liquidation bankruptcy where your non-exempt assets are sold off to pay for your debts.

Thirdly, there are some prerequisites to filing for Chapter 13 bankruptcy. For instance, you need to be earning a steady income. It does not have to be a high income but it must be consistent. If you only earn income sporadically it may not be considered good enough to qualify you for Chapter 13. The consistent income requirement is to ensure that you and your family have enough finances to sustain a reasonable living while repaying your debts under Chapter 13. If your income is inconsistent, the bankruptcy court may decide you do not have enough to survive while undergoing bankruptcy and hence your bankruptcy

<http://tampabankruptcy.pro/blog/>

plan will not be approved. Fourthly, you must not have debts exceeding the limit set by the bankruptcy court. If you do, your bankruptcy filing is not likely to be approved. This limit may change from time to time.

Fifthly, you must be current with your tax filings. If you have not filed your taxes for certain years, you need to bring it up to speed before filing for bankruptcy. You may still have tax debts but you must not be behind in your tax filings.

Finally, you must fulfill the residency requirements of your state. Depending on which state you live in, there are certain requirements set by the state government. Generally, you file for Chapter 13 bankruptcy in the state you reside in, but certain states have a time requirement in that you must have been living in that state for longer than a certain time to be permitted to file for bankruptcy there. Otherwise, you would be required to file for Chapter 13 in the last state you lived in (or the one you lived in for the longest time).

For more information regarding Chapter 13 (or Chapter 7) bankruptcy, call us at (813) 200 4133 for a free consultation.