Bankruptcy: How it affects Child Support Payments

By: Jerry R. Lowe

http://thefresnobankruptcyattorney.com/

Filing a <u>bankruptcy</u> case provides the debtor with shelter from <u>debt collection</u> activity. As soon as a bankruptcy is filed, the automatic stay goes into affect. The stay prohibits the majority of collection efforts, including lawsuits, to come to a halt. For more information on the stay, please read my blog titled <u>"Bankruptcy & the Automatic Stay."</u>

There are, however, certain court proceedings that are not halted by the filing of a bankruptcy. For instance, in a family law proceeding involving the issues of <u>child support</u> and custody, the automatic stay typically does not affect the family court from deciding the amount of current child support or the issue of custody. However, the stay will postpone any decisions regarding past due child support. Some judges prefer to postpone all issues until the automatic stay is lifted, but there are circumstances where the issues must be decided quickly and the stay does not prevent them from being addressed.

Debtors must understand that while the stay halts court proceedings, an existing order to pay child support or alimony will still accrue during the bankruptcy case. This means that if the debtor is currently obligated to pay \$500 per month for child support, the debtor will still continue to owe that amount during and after the bankruptcy case.

If you are the individual who receives child support payments and you file for bankruptcy protection, those payments are exempt from the bankruptcy proceedings. In other words, a bankruptcy trustee is not allowed to use your support payments to pay creditors.

If you are considering filing a bankruptcy case and you pay child support, be sure to discuss this matter with your attorney.

About Jerry R. Lowe

If you are considering filing for bankruptcy protection, call Fresno bankruptcy attorney <u>Jerry R. Lowe</u> at <u>(559)513-8535</u>. 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.