

Chapter 7-13 Timeline

Debtor becomes unable to pay as debts become due and decides to file bankruptcy.

Attorney prepares and files the Bankruptcy petition based on the information the Debtor provides. A temporary order called a stay goes into effect which stops any further collection. If the Debtor completes the bankruptcy a permanent order called a "Discharge" will be issued.

The US Trustee will review the petition to make sure that the petition is accurate. The Trustee will also review the income information to make sure that the Petition is filed properly as a Chapter 7 or Chapter 13. If the Debtor has disposable income that could be used to repay creditors the Debtor will normally be politely "urged" that the case should be converted to a Chapter 13. If it is not converted the US Trustee will then file a motion to dismiss.

Debtor should complete Debtor Education "the second class" prior to Discharge or the case will close without a discharge!

Start

1st visit to

Bankruptcy is filed

341 Meeting 4-6 weeks after filing

Last day for creditors to object to discharge or Chapter 13 Confirmation

Debtor seeks attorney. Gathers documents for the attorney so that a bankruptcy can be prepared and takes the first class.

Panel Trustee receives the petition and reviews the petition for accuracy. The Panel Trustee reviews the petition to see if property can be sold to pay creditors. The Debtor is allowed to keep a reasonable amount of property to obtain "a fresh start". However the Mortgage may not have been properly filed or the car lien may not have been properly filed and the home or auto may be owned free and clear and can be sold to pay debts.

Case is closed and discharge order is normally issued about 4 months after a Chapter 7 is filed. Or 5 years after a Chapter 13 is filed.

Creditors have the opportunity to object to part or all of their debt being discharged in an adversary proceeding or the Chapter 13 plan not being confirmed. Often the Debtor may charge for cash advances, luxury goods or large purchases just prior to filing the bankruptcy. If the Debtor makes such charges, these amounts may be excepted from discharge and the debtor may have to pay the amount he charged. The rest of the debt would be discharged.