

Title:

Is Chapter 7 Bankruptcy for Me?

Word Count:

276

Summary:

Changes in the bankruptcy laws have left many to erroneously think that they can no longer declare bankruptcy. This is not true.

Keywords:

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Article Body:

Changes in the bankruptcy laws have left many to erroneously think that they can no longer declare bankruptcy. This is not true.

A chapter 7 bankruptcy can also be referred to as liquidation; although with most cases there is little if any actual liquidation involved. Chapter 7 is referred to as liquidation because all of your non-exempt assets are converted to cash to help pay back the debt owed. It is best to speak with a skilled Texas bankruptcy lawyer if you are unsure whether Chapter 7 is the best option for you.

In general, chapter 7 best suits persons:

-  with income at or below the state median level
-  unable to adequately meet bills and living expenses each month
-  having little or no assets besides clothing and furniture
-  not declaring child support or alimony
-  without fines imposed for violating the law
-  without income tax debt
-  without student loans to repay

Under Chapter 7 an individual or business can ask the courts to erase the debts owed creating a fresh start. As soon as you file for bankruptcy you are immediately granted a stay preventing creditors from contacting you to collect, garnishing your wages, taking your home, vehicles or other property, and/or shutting off your utilities.

In order to decide whether Chapter 7 is really necessary for you as a debtor, you will need to take a Chapter 7 Means test. This test simply compares your

income to the median income in your geographic area for your family size. This ensures you, as a debtor, are not trying to abuse the system. The majority of debtors will pass the means test. Contact a Texas bankruptcy lawyer right away to discuss your particular situation.