

Facing Foreclosure? Considering Filing Bankruptcy? Know Your Options First!

Many People don't know that there are 2 different types of bankruptcy that can be filed by individuals!

If you are facing foreclosure as a result of serious financial hardship, Reyes Law Group understands the stress and uncertainty you are burdened with every day. Though you may feel as though your situation is hopeless and you've run out of options, we want you to know that you still have choices available to you that will allow you to avoid abuse from harassing debt collectors, liquidate debt and even possibly keep your home and avoid foreclosure!

Two Types of Bankruptcy for Individuals

Chapter 7: Chapter 7 entails the liquidation of an individual's debt by selling all non-exempt property and distributing the proceeds amongst the debtors as the bankruptcy code dictates. Chapter 7 does not include a repayment plan and individuals considering this option must understand that there is a chance they may lose non-exempt property in order to liquidate their debt. Sometimes, if there are liens and mortgages on an individual's property, those specific properties may be promised to particular creditors. Individuals who file Chapter 7 will be able to keep certain pieces of "exempt" property, though the trustee will liquidate the rest to pay off creditors. This is a good option for someone who may have lost their job or who has seen a significant decrease in their income and wishes to simply rid themselves of debt while chancing the loss of property in the process.

Chapter 13: Chapter 13 is the best option for those who own a home, would like to prevent foreclosure, do not wish to lose any of their property and have a regular income. By filing Chapter 13, individuals will be able to keep their property and consolidate debt so that they may pay it back over time in reasonable monthly payments—over 3-5 years. Chapter 13, also referred to as "a wage earner's plan", enables individuals to create a plan that allows them to pay off their debt in whole or in part over time, typically wiping out any unpaid debt that remains after the terms of the plan! Rescheduling secured debt may reduce payments during the life of the chapter 13 plan, making payments more manageable and making it easier to continue to make payments on both secured debt and your restructured mortgage on time. This is a great choice for individuals who may be behind on their mortgage payments but wish to keep their home from going into foreclosure.

How does Chapter 13 work?

By filing Chapter 13, individuals can restructure their mortgages (also referred to as a "plan of reorganization"), making the payments manageable and allowing them to keep their home. You will not go into foreclosure as long as you continue to make on-time payments on your newly restructured mortgage! You will also be able to keep all of your property while making adjusted payments on your debt.

Do I have to have an attorney to file Chapter 7 or 13?

Though you are not required to obtain an attorney in order to file bankruptcy, it is very challenging to do so without one. Individuals who choose not to use an attorney may also not

achieve the results they originally wanted and will certainly undergo a greater level of stress and anxiety on top of what they are already experiencing. Think of your attorney as a buffer between you and this stressful situation. Reyes Law Group is here to assist you in whatever ways you need assistance, helping you dramatically reduce your stress and debt!

If I'm undergoing financial hardship, how can I afford an attorney when filing bankruptcy?

Reyes Law Group understands that you are currently experiencing a difficult financial situation, which is why we let all of our potential clients know ahead of time that they do not have to pay all of our fees upfront because they can be worked into the approved bill consolidation plan! Also, we are happy to tell you that Chapter 13 attorney fees are regulated by the federal courts, ensuring that rates are fair and reasonable!

If you feel that filling bankruptcy may be the right solution for you or you have questions about the process or difference between bankruptcy chapters, please Contact Reyes Law Group today to discuss whether or not you are eligible to file either Chapter 13 or Chapter 7. We will take the time to go over your options, the ramifications of each and a plan of attack!

You can contact us by emailing Reyes Law Group at [email address] or calling our office at [phone number].

Set your mind at ease, we're here to help YOU!