

# Pensacola Financial Debt Relief Attorneys Explains the Difference between Chapter 7 and Chapter 13 Bankruptcy

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Pensacola, Fla.- Martin Lewis and Steve Jurnovoy, Pensacola financial debt relief lawyers, place much importance on ensuring that each individual understands all of their options when it comes to filing for bankruptcy. This month, they are explaining the difference between Chapter 7 and Chapter 13 bankruptcy.

Chapter 7 bankruptcy is known as ?straight bankruptcy.? It is generally the simplest type of bankruptcy, as it involves liquidating property to pay back debts. However, there are certain pieces of property that the individual is able to keep after filing, such as possessions that are tied up in liens or are exempt from liquidation. After the process of filing for Chapter 7 bankruptcy, almost every personal debt the individual owes will be canceled, and no repayment plan will be instated.

Chapter 13 bankruptcy, on the other hand, is considered ?debt consolidation.? It is different than Chapter 7 in that the individual will still be required to repay all or a portion of their debts. This repayment process is supervised by the Bankruptcy Court. Upon filing, the individual must submit a repayment plan to the Court, and once the Court approves it, the individual?s creditors cannot collect claims during the course of the case.

For the duration of the payment plan, the individual will make payments to a person called the Chapter 13 Trustee, who will then distribute the funds to the individual?s creditors. Once the repayment plan is completed, the individual will be forgiven from any further debt that was not included in the payment plan. Even though it requires at least partial repayment of debts, the upside to Chapter 13 bankruptcy is that the individual?s valuables, such as their home and car, will not be liquidated as they would under Chapter 7 bankruptcy.

Whether one should file for Chapter 7 or Chapter 13 bankruptcy completely depends on the individual?s unique situation. Neither chapter is better than the other. Each type of bankruptcy comes with different advantages and disadvantages, so the wisest option can only be determined based on the individual?s assets and debts. To make this decision, the guidance of a professional is strongly advised because when it comes to one?s livelihood and valuable assets, proceeding with caution and precision is necessary.

Lewis and Jurnovoy, local law firm in Pensacola, FL, is an expert in bankruptcy and provides top-notch guidance when it comes to making the decision to file. For more information, contact Lewis and Jurnovoy today at (850) 432-9110 or visit their website at www.lewisandjurnovoy.com.

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**Lewis & Jurnovoy, PA Pensacola**

*The primary emphasis of our law firm is in the representation of individuals in Chapter 13 bankruptcy, Chapter 7 bankruptcy,mortgage foreclosures, mortgage modifications and protecting against abusive debt collectors.*

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