



# New Jersey Bankruptcy Attorney Daniel Straffi Explains the Difference Between Chapter 7 and Chapter 13 Bankruptcy

*December 03, 2022*

Toms River, New Jersey - December 03, 2022 - PRESSADVANTAGE -

New Jersey bankruptcy attorney Daniel Straffi (<https://www.straffilaw.com/what-is-the-difference-between-new-jersey-bankruptcy-chapter-7-and-chapter-13/>) releases a new article explaining the difference between chapter 7 and chapter 13 bankruptcy. The lawyer mentions that a lot of situations can cause someone to be in debt. Situations such as job loss, divorce, business problems, and illness, can make the existence of debt worse.

Bankruptcy is defined as a legal process initiated by those who cannot repay their debts in order to seek relief from some or all of the debt. Filing for bankruptcy can either discard the debt or facilitate repayment through the creation of a payment plan. Aside from debtors being able to start fresh after availing of debt relief, bankruptcy also allows creditors to obtain repayment depending on the kind of bankruptcy filed, the New Jersey bankruptcy attorney says.

The lawyer explains that chapter 7 bankruptcy is usually referred to as liquidation bankruptcy. In this type of bankruptcy, the court will assign a bankruptcy trustee to sell non-exempt assets owned by the debtor to repay all or some of their debt. The debtor also needs to pass a means test to ensure that they are not abusing chapter 7 to avoid paying their debts.

Attorney Daniel Straffi adds that a chapter 13 bankruptcy is referred to as a wage earner's plan. This type of bankruptcy refers to the reorganization of the debtor's finances under the supervision of the court. Debtors are required to draft and adhere to the plan to pay their creditors within 3 to 5 years.

In the article, attorney Straffi says, "While bankruptcy can sound like a great solution to debt, it should be noted that bankruptcy should only be explored as a last resort. Having a bankruptcy on your credit score can greatly affect your finances for the foreseeable future."

Lastly, attorney Straffi emphasizes the importance of having a skilled bankruptcy attorney when filing for bankruptcy. A skilled lawyer may be able to help the client understand their rights and how they can use bankruptcy to start anew.

About Straffi & Straffi Attorneys at Law

Attorney Daniel Straffi is an experienced bankruptcy and family law attorney who has years of experience in helping clients deal with bankruptcy and other family law matters. They provide their clients with a high level of personal service for every case they take. Contact Straffi & Straffi Attorneys at Law today to learn more about their services.

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## **Straffi & Straffi Attorneys at Law**

*Straffi & Straffi Attorneys at Law is proudly run by the father-and-son team of Daniel Straffi, Sr. and Daniel Straffi, Jr. who has over 40 years of combined experience.*

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