

## Chapter 7 vs. Chapter 13 - Comparison Chart

	<u>Chapter 7</u>	<u>Chapter 13</u>
<b>Reasons to Choose</b>	<ol style="list-style-type: none"> <li>1. Stop Garnishments and other Collections Efforts</li> <li>2. Quicker Discharge</li> <li>3. No Monthly plan payments (other than those you want to reaffirm).</li> <li>4. Lower total attorney fees</li> <li>5. Good option if no property at risk of being taken (most HHGs are exempt as well as one motor vehicle up to \$7,500 in value)</li> <li>6. Start rebuilding credit sooner</li> </ol>	<ol style="list-style-type: none"> <li>1. Stop Car Repo</li> <li>2. Stop Small Loan Repo</li> <li>3. Stop Foreclosure on Home</li> <li>4. Stop Garnishments and other Collections Efforts</li> <li>5. Reduce Monthly Debt Payment</li> <li>6. Don't want assets taken in Chapter 7</li> <li>7. Lower Up front Cost</li> <li>8. Can pay some taxes w/o interest or penalties</li> <li>9. Ability to Cram Down of secured debt</li> </ol>
<b>Upfront Costs/Fees</b>	<p><b>\$1,800 - \$2,150 (Generally)</b>                      (includes Court Costs of \$335, Credit Counseling Costs of \$15, and the remaining amounts are attorney fees which are typically \$1,450 - \$1,800).</p>	<p><b>\$325 (costs only; Attorney Fees, see below).</b>                      (this amount includes \$310 for Court Costs and \$15 for Credit Counseling).</p>
<b>Attorney Fees</b>	<p>In a typical case there are no additional attorney fees other than what's included above.</p>	<p>The attorney fees are typically \$3,600 but they are included in your Chapter 13 plan (not required up front). In certain cases fees are reduced to 10 times your monthly payment, but not be less than \$1,750.</p>
<b>Monthly Payment</b>	<p>\$0.00</p> <p>There are no monthly Chapter 7 payments other than the debts you elect to reaffirm, see below.</p>	<p>\$_____ (to be determined at free consultation)                      The Chapter 13 plan payment depends on what property you decide to retain, what debts are required to be paid through your plan, and your disposable monthly income which is basically your take home income minus your reasonable living expenses. In some situations owning non-exempt property can also cause an increase in payments. Typically your plan payments are less than what you were required to pay prior to filing bankruptcy.</p>
<b>Direct Pay Debts or Reaffirmed Debts</b>	<p>If you elect to reaffirm a house note, car note, furniture note or other debt you will typically pay the contractual payment you were obligated to pay before filing. To reaffirm a debt you generally need to be current under the original obligation for the creditor to allow you to reaffirm the debt.</p>	<p>The only debt that is typically paid directly while in chapter 13 is your house note. In order to pay your house note directly you have to be current under the original terms. If you are not current the house note will be paid through the Chapter 13 plan.</p>
<b>Term (Length of Time)</b>	3 - 4 months	36 - 60 months
<b>Will I Lose any Property?</b>	<p>Non-Exempt property including a portion of your upcoming tax refund (non EIC) can be taken and administered by the Chapter 7 Trustee.                      (1 year only)</p>	<p>Typically you don't lose any property while in Chapter 13. However, you may be required to pay to the Trustee a portion of your tax refunds. Debtors typically retain all of their EIC and Child Tax Credits plus \$1,000.00 per year per debtor.</p>
<b>Non-Dischargeable Debts</b>	<ol style="list-style-type: none"> <li>1. Student Loans, 2. Child Support</li> <li>3. Some Back Taxes</li> </ol>	<ol style="list-style-type: none"> <li>1. Student Loans, 2. Child Support</li> </ol> (Some Back Taxes are usually paid through your Chapter 13 plan).
<b>Result</b>	Discharge of Most Debts	Discharge of Most Debts
<b>How Long will the filing of Bankruptcy Stay on my Credit Report</b>	Typically 10 years	Typically 7 years