

Chapter 7 Bankruptcy vs. Chapter 13 Bankruptcy

There are two main ways to file personal [bankruptcy](#) under the U.S. Bankruptcy Code: Chapter 7 and Chapter 13 bankruptcy.

Chapter 7 Bankruptcy Liquidation of Assets	Chapter 13 Bankruptcy Adjustment of Debts for an Individual with regular income
You have little property except for the basic necessities like furniture and clothing.	You have significant equity in a home or other property and you want to keep it.
You have little or no money left after paying basic expenses each month—or you're not even meeting basic expenses.	You have regular income and can pay your living expenses, but you can't keep up the scheduled payments on your debts.
Most unsecured debts can be discharged (completely eliminated)	You can keep most of your property while spreading out time to pay past due accounts
The process moves quickly—you may receive your discharge in just a few months	You'll have 3-5 years to catch up delinquent accounts according to a schedule that you and the bankruptcy trustee have agreed is workable for you.
Creditors can't contact you while the automatic stay is in effect—or after debts are discharged.	You'll make one monthly payment to the bankruptcy trustee for distribution—you'll have no direct contact with creditors during the protection period of 3-5 years.
	Co-signers may be protected
Debtors who have qualified under the 'means test' and completed a required pre-filing session with a credit counselor may file for Chapter 7 bankruptcy protection.	Any individual debtor whose unsecured debts are below \$336,900 and whose secured debts are less than \$1,010,650.

Which Bankruptcy Is Best for Me? Ask a Bankruptcy Lawyer Today.

Have bankruptcy questions about your specific circumstances? We'll connect you with a local sponsoring bankruptcy attorney who can answer your Chapter 7 and 13 questions.