Chapter 7 Bankruptcy
Liquidation

Chapter 7 is essentially a liquidation (or sale) of the debtor's nonexempt property and the distribution of the proceeds to creditors. Since one of the primary purposes of bankruptcy is to discharge certain debts to give an honest individual debtor a "fresh start", the debtor has no personal liability for discharged debts. However, the right to a discharge is not absolute, and some types of debts are not discharged

Chapter 11 Bankruptcy
Reorganization Under the Bankruptcy Code

A case filed under chapter 11 of the United States Bankruptcy Code is frequently referred to as a "reorganization" bankruptcy and generally provides for reorganization, usually involving a corporation or partnership, but may involve an individual or a sole proprietor. A chapter 11 debtor usually proposes a plan of reorganization to keep its business alive and pay creditors over time. This is a more complex and expensive process than a Chapter 13.

Chapter 12 Bankruptcy
Family Farmer Bankruptcy or Family Fisherman Bankruptcy

Chapter 12 is designed for "family farmers" or "family fishermen" with "regular annual income." It enables financially distressed family farmers and fishermen to propose and carry out a plan to repay all or part of their debts. Under chapter 12, debtors propose a repayment plan to make installments to creditors over three to five years. Generally, the plan must provide for payments over three years unless the court approves a longer period "for cause." But unless the plan proposes to pay 100% of domestic support claims (i.e., child support and alimony) if any exist, it must be for five years and must include all of the debtor's disposable income. In no case may a plan provide for payments over a period longer than five years. 11 U.S.C. § 1222(b)-(c).

Roark Law Offices
950 Bannock Street, Suite 1100
Boise, ID 83702
Tel./Fax/Text (208) 536-3638
E-mail: holly@roarklawboise.com
roarklawboise.com

Chapter 13 Bankruptcy

Individual Debt Adjustment

Chapter 13, also referred to as the "wage earner's" bankruptcy, allows a debtor with regular income to restructure his or her debts. Under Chapter 13, the debtor is allowed to keep property and pay off their debts over time, usually three to five years, while being protected from the collection efforts of creditors. The size of the plan payments are determined by the amount the debtor can afford after paying necessary living expenses. At the end of the plan period, the debtor may have paid off anywhere from 0 % to 100% of their pre-petition unsecured debt. The debtor receives a discharge if all the plan payments are made. (Notably, long term debts such as mortgages are generally not discharged as they are in Chapter 7.) The plan can be modified if at some point the debtor's financial condition changes and they begin to earn more or less money than they did at the time of their plan confirmation

Chapter 15 Bankruptcy

Ancillary and Other Cross-Border Cases

The purpose of Chapter 15, and the Model Law on which it is based, is to provide effective mechanisms for dealing with insolvency cases involving debtors, assets, claimants, and other parties of interest involving more than one country. Generally, a chapter 15 case is ancillary to a primary proceeding brought in another country, typically the debtor's home country. As an alternative, the debtor or a creditor may commence a full chapter 7 or chapter 11 case in the United States if the assets in the United States are sufficiently complex to merit a full-blown domestic bankruptcy case. 11 U.S.C. § 1520(c). In addition, under chapter 15 a U.S. court may authorize a trustee or other entity (including an examiner) to act in a foreign country on behalf of a U.S. bankruptcy estate. 11 U.S.C. § 1505.

For more information, see generally:
http://www.uscourts.gov/services-forms/bankruptcy/bankruptcy-basics

Roark Law Offices
950 Bannock Street, Suite 1100
Boise, ID 83702
Tel./Fax/Text (208) 536-3638
E-mail: holly@roarklawboise.com
roarklawboise.com