

## Chapter 13 Bankruptcy

Bankruptcy law is federal law, and a Chapter 13 bankruptcy, or Wage Earner Plan or Consumer Debt Adjustment, allows the debtors or consumers to enter a repayment plan through the bankruptcy court to keep most of their property. This repayment plan typically lasts from three to five year.

Under the United States Bankruptcy Code, Chapter 13 allows debtors court protection to allow future wage earnings to repay some or all of their debts and obligations over a specified time. By filing a Chapter 13, the court implements an automatic stay during the repayment period to prevent creditors from collection activities.

We find that most people do not want to file bankruptcy, but life circumstances such as illness, unemployment, or divorce place financial strain on debtors to the point that the added strain from aggressive collection efforts by creditors becomes too much. Eventually most people in these circumstances come to the point that they prefer being placed on a payment plan supervised by the bankruptcy court rather than try to work things out with their creditors. Thus a [Chapter 13](#) gives wage earners an opportunity to make monthly installment payments over time and also gives creditors more money than if the debtor simply filed a [Chapter 7](#) liquidation.

There are two costs involved with filing a Chapter 13 bankruptcy, the Utah federal court costs of \$274 and the attorney fees. The attorney fees are set by statute and typically amount to \$2,750 paid over several years. If you are thinking about bankruptcy options, you should contact a [bankruptcy attorney](#).

The [bankruptcy lawyer](#) has a fiduciary duty to act in the debtor's best interests. Most bankruptcy attorneys provide a free initial consultation to gather as much information as possible to provide the debtors with options. Choosing a qualified bankruptcy attorney is an integral part of the debtor's bankruptcy case. Filing for Chapter 13 can be complicated, but with a [bankruptcy attorney](#), debtors can successfully go through the bankruptcy process and get their debt problems under control. After a free initial consultation, he can advise you if qualify to file a Chapter 13 bankruptcy.