

Figuring your Chapter 13 monthly payment

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A [Chapter 13 debtor](#) must submit a repayment plan and commit to making a set monthly payment for the next three to five years. Thus, it is essential that you know exactly how much you will be required to pay. Here is a summary of how your Chapter 13 payment is calculated:

Your attorney will look at your income and your expenses. You will also be required to complete a lengthy form called the “means test.” At the end of the means test, you will have figured what your unsecured creditors should receive from your repayment plan. From this number, your monthly payment amount can be calculated.

It is important to note that there are several factors that can impact figuring your monthly payment. For example, the means test assumes that your income over the prior 6 months is your income at the time of filing. However, if you have recently lost your job or your income has been significantly reduced, the result can be unrealistic numbers.

Additionally, there are arbitrary allowances provided under the means test. For example, if the provided allowance on your house is much lower than your actual mortgage payment, the numbers work against you.

If you are considering filing a Chapter 7 or Chapter 13, it is essential that you meet with an experienced bankruptcy attorney at [The Koplen Law Firm](#) to discuss your options.