

# Chapter 7 Bankruptcy After Denial of Discharge

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Chapter 7 bankruptcy is rife with pitfalls, and there are a number of ways to get your discharge denied.

But what happens if you need to file after the denial, and are ready to play by the rules of Chapter 7 this time around?

First, we need to talk about denial of discharge in Chapter 7 bankruptcy cases. Under Section 727(a) of the U.S. Bankruptcy Code you can be denied if the court finds that you've:



- intentionally transferred, removed, destroyed, mutilated, or concealed (or allow someone else to transfer, remove, destroy, mutilate or conceal) and of your property within one year of the filing of your case or property after the filing of the case;
- concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which your financial condition or business transactions might be ascertained (unless such act or failure to act was justified under all of the circumstances of the case);
- knowingly and fraudulently made a false oath (in other words, that you lied);
- given, offered, received, or attempted to obtain money, property, or advantage, or a promise of money, property, or advantage, for acting or forbearing to act;
- withheld recorded information, including books, documents, records, and papers, relating to your property or financial affairs;
- failed to explain satisfactorily any loss of assets or deficiency of assets; or
- refused to obey any lawful order of the court, other than an order to respond to a material question or to testify.

Denial of your Chapter 7 discharge doesn't stop the case. The Chapter 7 trustee is still going to gather and liquidate any non-exempt assets; all you lose is your fresh start free of those debts. So it's a lose-lose proposition for you overall.

Now we get to the whole matter of a new Chapter 7 bankruptcy case after denial of discharge in the previous case. Bad news there as well.

Under Section 523(a)(10) of the U.S. Bankruptcy Code, you can't get a discharge if you were denied a discharge in a prior Chapter 7. So you're left with a possible Chapter 13 bankruptcy if you do need to file for bankruptcy later.

So what's the solution? That's simple – be honest, don't lie, don't shred your documents, pay attention, and communicate clearly with your lawyer at all times.

*Photo: Ko\_an*