

Chapter 13 Plan...It Must Be Feasible

By: Jerry R. Lowe

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A [Chapter 13](#) bankruptcy is a reorganization of the debtor's finances. The debtor must submit a payment plan which outlines what the creditors will be paid during the bankruptcy case. The plan must be approved by the court. Once confirmed, the debtor makes monthly payments to the trustee who then distributes payments to the creditors as set forth by the plan. Chapter 13 plans last for a term of 3 to 5 years.

Creditors file [Proofs of Claim](#) which provide evidence of how much the debtor owes the creditor and the type of claim. Claims are classified as secured claims, priority claims, and unsecured claims. The Chapter 13 trustee reviews the claims to calculate how much money is necessary to fully fund the plan and pay all the claims under it.

The "base" of your plan is the total amount you propose to be paid under your plan. For a simple example, if you pay \$200 per month to the trustee over a period of 36 months, your base is \$7200. If the amount needed to fully fund the plan is more than your "base," your plan is "infeasible." If this is the case, the debtor can amend the plan to achieve feasibility. If the debtor fails to amend the plan, the Chapter 13 trustee may file a motion to dismiss your case.

How does a debtor cure infeasibility? The most common ways are the debtor can increase the amount of the monthly plan payments, make a lump sum payment, or extend the duration of the plan (if it was proposed to be under 5 years). There are other ways to cure infeasibility and your bankruptcy attorney can assist you with your options.

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About Jerry R. Lowe

If you are considering filing for bankruptcy protection, call Fresno bankruptcy attorney [Jerry R. Lowe](#) at [\(559\)513-8535](tel:5595138535). Mr. Lowe provides representation for debtors in Chapter 7 and Chapter 13 bankruptcy matters throughout California's Central Valley in communities such as Fresno, Clovis, Reedley, Sanger, Selma, Madera, Chowchilla, Oakhurst, Coarsegold, Auberry, Prather, Coalinga, Avenal, Corcoran, Hanford, Lemoore, Tulare and Visalia.