

BANKRUPTCY



WHAT is bankruptcy?

A legal process that can erase your debt or make it more manageable.



TYPE:

CHAPTER 7

CHAPTER 13

Your assets are sold to pay your creditor.

An agreed upon repayment plan that gives you more time to catch up on your payments.

BEST FOR

People who are unable to afford the minimum payment on their credit cards and don't have many assets.

Someone with a regular income who can meet immediate needs but can't pay down their debt.

NOT INCLUDED

Child support, taxes, student loans, or debts related to a drunk driving conviction.

N/A

NOTE

Can only be filed once every eight years.

Shore Legal Access cannot assist with Chapter 13 bankruptcies.

KEY TERMS

Assets

Property you own, such as a home, car, personal property, etc.

Trustee

Court-assigned appointee to manage your case.

Liquidation

Convert assets into cash, typically by selling said asset.

Under Oath

You promise to tell the truth in court and can face legal consequences if you do not.

Discharged

Your debt is considered complete.

HOW THE PROCESS WORKS

1. Receive credit counseling from a court-approved agency.
2. File a petition to the bankruptcy court closest to where you live (Baltimore or Greenbelt) and provide information about finances, debts, property you'd like protected, and certification that you completed credit counseling.
3. Attend a meeting with creditors and trustee and answer questions under oath about your finances and property.
4. If bankruptcy requirements are met, trustee will begin to sell your property to settle your debt.
5. Complete debtor education course and obtain a certificate of completion.
6. Once property is sold and certification is achieved, your debt is considered discharged and your Chapter 7 bankruptcy process is over.

GET HELP

Contact us to learn more about our monthly bankruptcy clinics and schedule an appointment.



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