

San Diego Bankruptcy Lawyers - Chapter 13 Bankruptcy Information

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Chapter 13 bankruptcy allows individuals to restructure their debt, finances and assets in a fashionable manner in order to compensate their creditors, and pay off their debts. The individual will propose to pay the creditors over a period of time (usually 3-5 years). During this period of time the creditors can't collect on any previously incurred debt without the permission of the bankruptcy court. The individual is then able to keep their property and the creditors will end up with less money than they are owed.

Chapter 13 has a few advantages over Chapter 7. One of the most immediate advantages is the ability to stop foreclosure. In addition you can sometimes prevent collection against co-signers during the life of the case.

One of the major disadvantages of Chapter 13 bankruptcy is that the record stays on the individual's credit report for ten years. In order to achieve a new line of credit the individual must first get permission from the Chapter 13 Trustee. It also presents the problem where creditors might not want to loan money to an individual of this nature.

Legal consultation is often necessary in order to effectively oversee your Chapter 13 bankruptcy case. Professional bankruptcy attorneys can provide you with the experience and dedication required to take complete advantage of the situation and make sure you are not over-paying your creditors. To learn more about San Diego bankruptcy lawyers and hiring a bankruptcy attorney please visit our website at <http://www.thebklawyers.com> This article may be freely reprinted as long as this resource box is included and all links stay intact as hyperlinks.