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12 Debts that Cannot be Discharged by Bankruptcy

It is undeniable that the rate of bankruptcy filings in the country has skyrocketed. The reasons are obvious – the bad economy, loss of jobs, spiraling costs of services like healthcare, inflation, mounting debts, the credit squeeze, the list goes on.

If you are facing similar problems, look no further than bankruptcy for a solution. Bankruptcy is a provision under the bankruptcy code that protects you from the harassment of creditors, eliminates your debts or allows you to repay them over an extended period of up to five years. It is a right that you should claim. You do not have to suffer the constant threats, encroachment on your property, wastage of your time imposed on your by your creditors – financial institutions, individuals, the IRS etc – once you file for bankruptcy protection.

There are 2 types of bankruptcies for both individuals and companies according to the bankruptcy code. Firstly, the one that is applicable to both individuals and corporations is Chapter 7 bankruptcy. Filing for bankruptcy under Chapter 7 allows you to eliminate most of your unsecured debts (medical bills, credit card debts, payday loans etc).

Your assets will be liquidated to pay off as much of your debts as possible and after that all the remaining unpaid debts are discharged. The bankruptcy code governs what kinds of unsecured debts can be eliminated and which cannot. Likewise, it also states which of your assets can be liquidated and which cannot. Don't worry, you won't lose the roof over your head or the shirt on your back.

Secondly, the alternative type of bankruptcy for individuals is Chapter 13 bankruptcy. Essentially, this type of bankruptcy is a payment plan governed by the bankruptcy court that allows you to repay your debts under better terms than you are under at present. The repayment term will be up to five years, usually without a wage garnishment. For companies, the equivalent type of bankruptcy is Chapter 11 bankruptcy.

While bankruptcy is designed to eliminate most debts and give you a new start, it cannot discharge all types of debts. Here are the ones that bankruptcy typically does not forgive: 1. Debts from a prior filing for bankruptcy

2. Debts resulting from fraud (including false financial statements), misuse of funds, cheating, or robbery

3. Debts for certain taxes

4. Certain debts that result from the purchase of comfort goods or cash advances

5. Debts arising out of a divorce or separation

6. Student loans

7. Orders of restitution and debts resulting from willful and malicious injury

8. Legal fines and restitution (including drunk driving convictions)

9. Obligations not listed on the debtor’s bankruptcy schedules

10. Debts for spouse maintenance, alimony and child support

11. Debts owed to certain tax-advantage retirement plans

12. Debts for certain condominium or cooperative housing fees While the law in each state may make some differences to this list (which is not exhaustive), the above generally spells out the types of debts that are non-dischargable through bankruptcy.

If you need help in eliminating your debts, call us at (813) 200-4133 for a free consultation on how bankruptcy can give you a new start or visit http://tampabankruptcy.pro.