



On November 1, 2010 the income figures used on the means test for consumer bankruptcy figures will change. These income figures are published by the U.S. Census bureau and could have dire consequences on your bankruptcy case. If you are still mulling over bankruptcy, you may want to contact us for a free consultation after reading this blog.

The [means test](#) is a mechanism that calculates the last six months of income and is used to determine if you can file a [Chapter 7](#) or a [Chapter 13](#). It is a purely a creation of Congress and does not factor in your real income or expenses.

So what does this mean for you? Plenty. The means test is based on the median income of an earner in Michigan. For cases filed before October 31, 2010 the median income in Michigan per family size was:

Single Earner \$43,456

2 People \$52,433

3 People \$61,517

4 People \$74,558

If you were above these numbers, you would have to complete the rest of the means test and may be forced into a Chapter 13, instead of a Chapter 7. Now, these numbers have changed starting November 1, 2010. The new median income in Michigan per family size will be:

Single Earner \$41,875

2 People \$49,919

3 People \$59,190

4 People \$70,600

The median income numbers have dropped across the board, and the threshold for filing a Chapter 7 has risen. The economy in Michigan has gotten worse and as more employers are cutting wages and more and more people are losing their jobs, and as the income drops in Michigan, so may your chances to file a Chapter 7. Even though your financial problems may be the same on October 31, 2010 as on November 1, 2010, it will become harder for you to file a Chapter 7. As your expenses increase, and the median income in Michigan decreases, so will your chances to get relief from your crippling debts through a Chapter 7.

Our advice is to call your [Detroit Bankruptcy Lawyers](#) ASAP at (586) 439-4297, Extension 0, and get your FREE consultation. If you are on the borderline, we will need to file your case no later than October 31, 2010 in order to file a Chapter 7. Do not wait until the last minute to talk to us as you may miss out on getting debt relief from a Chapter 7.