

ATLANTA, GA, September 26, 2013 /**24-7PressRelease**/ -- The two most common types of personal bankruptcy are Chapter 7 and Chapter 13. With Chapter 7 bankruptcy, a trustee takes over your debts. In exchange, you must give up some property so that the trustee can sell it and distribute the proceeds to creditors. Chapter 13 bankruptcy allows people to pay off some or all of their debt over a period of three to five years.

Which type you choose will depend on a number of factors. [Chattanooga bankruptcy attorneys](#) Clark & Washington discuss the advantages and disadvantages of both options and provide some tips for deciding which is best for you.

Advantages and Disadvantages of Chapter 7 Bankruptcy

Most people choose Chapter 7 bankruptcy because it wipes out their debt. It does not require you to repay any portion of your debts unless you "reaffirm" certain debts in order to keep the property.

Chapter 7 bankruptcy is over relatively quickly. Most Chapter 7 bankruptcy cases are closed within six months. It is often recommended for people living on a modest income with overwhelming credit card bills, medical bills or loan payments they cannot handle. They are unable to make more than minimum payments, thus cannot pay down their debt.

A disadvantage of Chapter 7 is that some property has to be sold to pay off debts. However, there are exemptions that help people keep vital assets like vehicles. Exemption laws vary by state. The lawyers at Clark & Washington are well acquainted with the state exemption laws for claiming [bankruptcy in Chattanooga](#) . They can help ensure that people protect as many assets as possible.

To be eligible for Chapter 7 your income can't be higher than the median state income. Applicants must pass a "means test" to qualify, but there are exemptions.

Advantages and Disadvantages of Chapter 13 Bankruptcy

For some debtors, Chapter 13 is a better option than Chapter 7, even if they are eligible for both. One of the main reasons people file for Chapter 13 is to stay in their home because it allows them to make up the missed payments over time and reinstate the original loan agreement.

If you have a tax debt or other obligations like student loans that cannot legally be discharged via Chapter 7, Chapter 13 allows you to pay those off as part of your repayment program.

If your spouse or another individual shares some or all of your debt, but you do not want a trustee coming after them, Chapter 13 is probably preferable. As long as you make your full payments on time, they will not be impacted. However, your bankruptcy will affect their ability to get joint credit.

Chapter 13 bankruptcy generally involves a repayment plan of three to five years. Most people who file do not complete their plans. However, some people want the structure payment plan and complete it successfully. If you have issues with making payments on time, be honest with yourself and your attorney about whether this is the best option.

If you wish to discuss your situation with one of Clark & Washington's [bankruptcy attorneys in Chattanooga](#) or find out more about their expertise and services, visit <http://www.chattanooga-bankruptcy-attorney.com>

About Clark & Washington:

Established in 1983, Clark & Washington is now one of the leading bankruptcy filers in the Southeast. They have locations in Georgia, Florida and Tennessee. Clark & Washington specializes in personal Chapter 7 and Chapter 13 bankruptcy. They offer honest, helpful legal advice to those experiencing financial hardships.

For more information, visit <http://www.chattanooga-bankruptcy-attorney.com> .