

MANY BENEFITS OF CHAPTER 7 AND WHY IT'S A BETTER CHOICE

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They Begin to See that the Benefits of a Chapter 7
Are Many and Most Often Provide a Better Solution –
Both in the Short Term and in Their Long Term Goals*



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Every day, clients hear me say that a chapter 7 bankruptcy is the better option. Some are surprised, but once we get past the myths, they begin to see that in fact, the benefits of a chapter 7 are many and most often provide a better solution –both in the short term and in their long term goals.

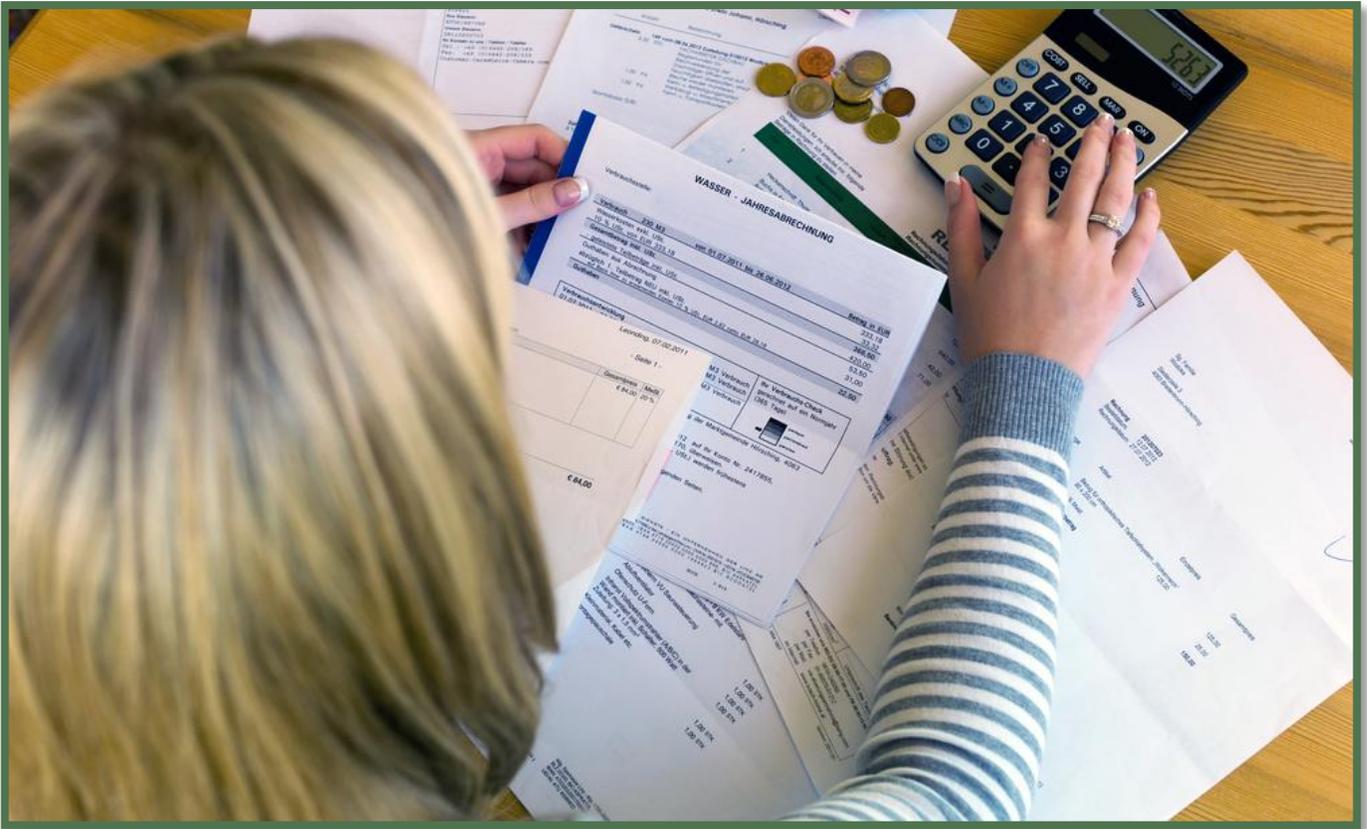
GETTING PAST THE GUILT

Many Texas consumers have been told that a chapter 13 bankruptcy is the right choice since it allows them to repay at least some of their debt versus walking away from it in its entirety. That's understandable, but if you're struggling to keep your electricity from being disconnected and food in the cabinets for your family, that is always going to be your priority. Choosing to start over isn't less noble, but it does allow a new start – one that doesn't include those impossible choices we face when we're struggling financially. With that new start comes better opportunities for your family, fewer stresses over your finances and a more confident outlook for the future.

CHAPTER 7 REQUIRES COMPLETE ASSET SURRENDER



That is simply untrue. Many clients want to keep their homes, but feel as though they're in too deep with late payments and thousands due just to bring their mortgage current. The reality is there are other avenues that can



help you meet your goals without sacrificing your home in the process.

Odds are, you've heard of the Home Affordable Modification Program, or HAMP. Did you know that our office has a near perfect success rate in securing these home loan modifications for our clients who are going through bankruptcy? The program is designed to make it easier, not to further complicate your situation. The modifications are available to our Chapter 11 clients and once the modification is approved, you're no longer in arrears. There are a number of incentives not only for homeowners, but lenders who are playing a role. Millions of Americans have seen a successful modification completely change their future.

After concerns about their homes, the next worry is their transportation. You have to get to work, the little ones have to get to school, band practice and choir

practice; there are groceries to buy and errands to run. The thought of no longer having a car is sometimes as stressful as the thought of no longer having a home. Of course, finding a new car is easier than finding a new home and there are lenders who saw the long term repercussions of the recession and decided to do something different. As a result, getting into a new car, with a far lower interest rate, isn't nearly as overwhelming as clients might believe. Most of our Chapter 7 clients obtain replacement vehicles during their case or immediately after their Chapter 7 discharge.

Lenders understand how bankruptcies work and their incentive is found in the reality that those who file bankruptcy won't have that option again for several years. In fact, when comparing the hoops your current lender will surely require in order for you to keep your car, including catching up any late payments versus a new loan with a much lower interest rate and even a newer model, you might see that surrendering your current automobile and discharging that debt, is actually the better choice.



THE COSTS

In any bankruptcy, there are legal fees, including the fee for your bankruptcy lawyer, filing fees and more. Some attorneys will allow their clients to roll those fees into the monthly payments they will be making to the bankruptcy trustee. A chapter 13 bankruptcy drags out for years. If you miss any payments, your entire case could be jeopardized. Creditors could once again begin pursuing you.

On the other hand, the applicable fees for a chapter 7 are much lower. We offer a convenient payment plan and respond to all of your creditor calls and letters while you pay our fees. Remember, you're no longer paying your creditors, which means much of your income is no longer earmarked for paying down your debt. You use those funds to pay our fees, your Chapter 7 is completed in about four months and you have a financial fresh start.

MORE BENEFITS OF CHAPTER 7 BANKRUPTCY

It should be noted that a chapter 7 filing is completely finished and behind you in



a matter of months. A chapter 13 bankruptcy will have you in an active bankruptcy case for three to five years. Here's something else you might not know: If you file Chapter 13, you will be

required to give your income tax refunds during the life of the 13 filing to your creditors. Your hands are also tied because you cannot purchase a home or car or incur debt during the 3 to 5 years while your case is pending. That's not the case with chapter 7 filings.

On a personal level, our team has seen clients run with the new opportunities that come after a bankruptcy filing. It's rewarding for us since we know the financial struggles so many of them faced. Leaving the burden behind is empowering.

If an attorney has advised that you need to file a Chapter 13 in Central Texas, please call us for a free second opinion.

If you would like to learn more about the benefits of chapter 7 bankruptcy protection in Texas or if you have questions, we're here to help. Contact our offices today.

About the Author Erin B. Shank

With extensive training and years of experience helping families throughout Central Texas, Erin B. Shank is here to help you conquer your financial obstacles. Whether you need guidance and advice regarding bankruptcy, tax debt or other financial problems, Erin and her friendly and qualified team can help you find solutions that will enable you to manage or eliminate your debt.



*Exclusively Dedicated to helping Central Texas
Solve Their Bankruptcy Problems*

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OVER 31 YEARS OF CARING PROFESSIONALISM

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