

ARTICLES

## Chapter 7 Bankruptcy FAQs

OCTOBER 08, 2024

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Chapter 7, or a “straight” bankruptcy, is the most used bankruptcy option. It eliminates most unsecured debts and gives you an opportunity to start fresh financially.

Chapter 7 usually lasts approximately 90 to 120 days from the day you file the bankruptcy to the date you get your discharge. The attorneys at Sussman Shank LLP have experience handling both simple and complex Chapter 7 bankruptcy cases. In Chapter 7 bankruptcy, you are able to maintain possession of certain “exempt” assets, up to a specific value amount.

One of the services that Sussman Shank LLP can provide to you is a review of your assets and the exemptions available to you. Sussman Shank LLP can also provide “exemption planning” to help you maximize the property and assets you can retain when you file bankruptcy.

In a Chapter 7 bankruptcy, a trustee is appointed to review your financial affairs and assets. The Trustee has the power to sell (“administer”) assets not included in the allowed exemptions.

If the Trustee determines there aren’t any assets to sell, the case is reported as a “no-asset” case and it is closed. The Bankruptcy Court will issue your discharge about 60-90 days later. Typically, these debts listed under the filing will be discharged and the creditors cannot attempt to collect from you on these any longer.

### **Will I be able to keep all or most of my assets if I file for bankruptcy?**

You can keep your assets to the extent the equity in the assets is within the exemption allowances available under the law to debtors. In many cases, clients are permitted to keep their personal belongings, including





their homes, cars, and all household goods. If you owe more on your house and car than they are worth, the bankruptcy Trustee will not sell them because there would be no money left over after the sale to pay your creditors.

If you have equity in your house, car, and/or personal property, exemptions may protect your property. Sussman Shank's attorneys can help you implement strategies to save property that you own free and clear of liens, and ensure that you claim all of the exemptions that are available to you.

### **Can I transfer or dispose of my possessions before I file for bankruptcy?**

No! If you give away, sell for less than fair value, or transfer an asset to someone before you file for bankruptcy, the bankruptcy Trustee may be able to reverse that transfer, and any exempt portion of the asset that may have existed before the transfer will be disallowed when the asset is recovered by the Trustee.

Transfers made within one year of bankruptcy may be grounds for the Trustee to disqualify you from receiving your bankruptcy discharge. If you have already taken such actions, you should speak with an attorney at Sussman Shank LLP to determine if steps can be taken to undo the harm you may suffer because of an improper transfer.

## **Related Attorneys**

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