

BANKRUPTCY

Chapter 7

While creditors were able to pass legislation that creates additional requirements for a bankruptcy discharge, most people still qualify for Chapter 7 bankruptcy -- complete relief of all of debts. The first test is whether or not you and/or your family are above the median income based on the last six (6) months of gross income. The median income for Ohio residents is as follows:

Household Size	Annual	Monthly
1	\$40,888	\$3407
2	\$50,965	\$4247
3	\$59,949	\$4996
4	\$71,489	\$5957
5	\$78,389	\$6532

If your income or your household income is below these numbers, then you may qualify for Chapter 7 bankruptcy and the new Means Test does not apply. Even if you or your household income is above the above income figures, you may still qualify for Chapter 7 bankruptcy if you pass the new Means Test.

Chapter 13 Bankruptcy

Chapter 13 allows individuals to protect their homes from foreclosure, cars from repossession, wages from garnishment and stops all collection and depending on your assets and income level it may allow you to pay only a percentage of what is owed to your unsecured creditors (i.e. credit cards). Basically, if you need help and protection, even the new law will provide relief.