

What does a discharge in Bankruptcy mean?

Written by Alex

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In a Chapter 7 a Bankruptcy Discharge basically releases the debtor from personal liability for a certain type of debt. What that basically means is that the debtor is no longer required to pay any debt that is discharged.

The discharge is permanent and is prohibited to the creditors, whom taking any form of collection on the debt; including, legal actions, phone calls and so forth.

Liens are important to discharge prior to the bankruptcy, because if you don't, if it has not been avoided or made unenforceable, it can in fact remain after the bankruptcy case and the secure creditor can force the recovery of some of the property.

Under Chapter 7 not all debts are discharged. There are exceptions and because of public policy reasons, if they were some debts that incurred due to improper behavior the debtor they are also things similar to student loans, alimony and child support and other actions like drunk driving; which may not be discharged automatically.

It is important to look at the different types of debt and to make sure that there is no lien or we can do a Motion to Avoid the Lien and whether that debt is dischargeable or not.

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