

Bankruptcy Glossary

Common terms you may hear in a consumer bankruptcy case, arranged roughly in the order they tend to come up.

- **Credit counseling:** An approved briefing you must generally complete within the 180 days before filing.
- **Voluntary petition:** The document you file to begin your bankruptcy case.
- **Means test:** A calculation comparing your income to Florida's median to help determine Chapter 7 eligibility.
- **Chapter 7:** A "liquidation" bankruptcy that can discharge most unsecured debts, usually within a few months.
- **Chapter 13:** A "reorganization" in which you repay some debt through a 3 to 5 year court-approved plan.
- **Schedules:** The detailed lists of your property, debts, income, and expenses filed with the court.
- **Exemptions:** Laws that let you keep certain property (such as your home, or a vehicle up to set limits) out of creditors' reach.
- **Exempt vs. non-exempt property:** Exempt property you keep; non-exempt property could be used to pay creditors. In most consumer cases there is none.
- **Automatic stay:** A court order that immediately stops most collection efforts, garnishments, and foreclosures when you file.
- **Secured vs. unsecured debt:** Secured debt is backed by collateral (a car or house); unsecured debt, like credit cards, is not.
- **Priority debt:** Certain debts, such as recent taxes or support, that are paid before others and often cannot be discharged.
- **Trustee:** A neutral person appointed to review your case, administer any non-exempt assets, and run the meeting of creditors.
- **341 meeting (meeting of creditors):** A short, required meeting where the trustee asks you questions under oath about your case.
- **Reaffirmation agreement:** A voluntary agreement to stay liable on a debt, such as a car loan, so you can keep the collateral.
- **Debtor education course:** A second approved course you complete after filing and before your discharge.
- **Nondischargeable debt:** Debts that bankruptcy generally cannot erase, such as most student loans, recent taxes, and child support.
- **Discharge (order of discharge):** The court order releasing you from personal liability for most debts; the goal of most cases.

- **Adversary proceeding:** A separate lawsuit filed within the bankruptcy case to decide a specific dispute.
- **Preference:** A payment to a creditor shortly before filing that the trustee may recover so creditors are treated fairly.

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