

## Discharge in a Chapter 7 Bankruptcy

Discharge in a bankruptcy is a release of a debtor from personal liability for certain dischargeable debts, and prevents the creditors owed those debts from taking any action against the debtor or the debtor's property to collect the debts. The discharge also prohibits creditors from communicating with the debtor regarding the debt, including telephone calls, letters, and personal contact.

### Debts That are Discharged

The chapter 7 discharge order eliminates a debtor's legal obligation to pay a debt that is discharged. Most, but not all, types of debts are discharged if the debt existed on the date the bankruptcy case was filed. (If this case was begun under a different chapter of the Bankruptcy Code and converted to chapter 7, the discharge applies to debts owed when the bankruptcy case was converted.)

### Debts that are Not Discharged

Some of the common types of debts which are not discharged in a chapter 7 bankruptcy case are:

- a. Debts for most taxes;
- b. Debts that are in the nature of alimony, maintenance, or support;
- c. Debts for most student loans;
- d. Debts for most fines, penalties, forfeitures, or criminal restitution obligations;
- e. Debts for personal injuries or death caused by the debtor's operation of a motor vehicle while intoxicated;
- f. Some debts which were not properly listed by the debtor;
- g. Debts that the bankruptcy court specifically has decided or will decide in this bankruptcy case are not discharged;
- h. Debts for which the debtor has given up the discharge protections by signing a reaffirmation agreement in compliance with the Bankruptcy Code requirements for reaffirmation of debts.

### Financial Management Certificate

Individual debtors filing under chapter 7 must complete an approved financial management course in order to receive a discharge in their case(s). This requirement is subject to limited and well-defined exceptions. To ensure compliance with this requirement, individual debtors must complete and file a Debtor's Certification of Completion of Instructional Course Concerning Financial Management (Official Form B423) or The Financial Management Course provider may docket the Personal Financial Management Certificate (a copy of the actual certificate of completion) within 45 days after the first date set for the meeting of creditors under § 341 of the Code in a chapter 7 case. Failure to file a certification may result in the case being closed without an entry of discharge.

\*This information is only a general summary of the bankruptcy discharge. There are exceptions to these general rules. Because the law is complicated, you may want to consult an attorney to determine the exact effect of the discharge in this case.