



# Minnesota Bankruptcy Buzz

## KAIN & SCOTT P.A.

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### Bankruptcy News Minnesota Lawyers Can Use FACTS AND FIGURES

**M**innesotans filed 736 chapter 7 and chapter 13 bankruptcy cases in October 2016. In October 2015, Minnesotans filed 854 chapter 7 and chapter 13 cases. That is a 13.8% decline in case filings year over year for October.

There has been a 11.27% decline in case filings so far in 2016 compared to this time in 2015. With the election of Donald Trump and the recession free zone we have been in, predicting future bankruptcy filings is almost impossible.

*Testimonial: "Life is just that again, my life. It's good to have it back. Thank you, Eric"*



## More Bankruptcy News You Can Use

### NON-DISCHARGEABLE DEBTS: DEBTS THAT WON'T GO AWAY IN BANKRUPTCY

The purpose of filing a Chapter 7 or Chapter 13 bankruptcy case is, plain and simple, to discharge debt - to make debt that has overwhelmed a debtor and his family "go away." In order to receive a discharge, the bankruptcy debtor must comply with the provisions of the bankruptcy code. So legally proper papers must be filed with the bankruptcy court, all assets and liabilities identified and relevant financial transactions disclosed. The bankruptcy debtor has to attend a meeting with the case trustee, and must cooperate with the trustee and follow court orders to receive a general discharge.

In almost every case, if the debtor does these things, the Bankruptcy Court will enter a discharge in the debtor's case. The discharge is a court order that permanently enjoins creditors from taking any action against the debtor to collect on a debt owed by the debtor to the

creditor. The discharge order makes the debt "go away." The discharge order gives a person who has had crippling financial problems a fresh start.

The Discharge gives a person who has filed bankruptcy a chance to start over financially, free from debt obligations. And in almost every bankruptcy case, that is exactly what happens. But it is important for Lawyers to know that some kinds of debt cannot be discharged in a bankruptcy case. In this article I will look at debts that don't "go away."

For purposes of this article, let's concentrate on debts that can't be discharged when a person files a Chapter 7 Bankruptcy case.

Chapter 7 is the most common consumer debt bankruptcy filing - in a chapter 7 case, a case trustee is assigned to collect any Non-exempt Assets or recover avoidable payments by the debtor and turn the assets/payments into money to pay creditors.

Chapter 7 debtors don't make payments to the trustee; the case is (usually) processed from the date the case is filed to the date the case is discharged in approximately three and a half to four months.

Section 523 in the bankruptcy code breaks down what kind of debt is not discharged in a chapter 7 case.

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### Words to live by...

**Mom says, "alcohol is your enemy."**

**Jesus says, "love your enemy."**

**Case closed.**

**-Will Ferrell**

**“We don’t judge you, we help you get your life back!”**

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*Testimonial: “You guys are wonderful and so down to earth. You sure make a stressful situation calming.  
The staff is so nice and caring! Thanks much! Bachmans”*