

Commonly Used Bankruptcy Legal Terms

A

Automatic stay

An injunction that automatically stops lawsuits, foreclosures, garnishments, and most collection activities against the debtor the moment a bankruptcy petition is filed

B

Bankruptcy

A legal procedure for dealing with debt problems of individuals and businesses; specifically, a case filed under one of the chapters of title 11 of the United States Code (the Bankruptcy Code).

C

Chapter 13 trustee

A person appointed to administer a Chapter 13 case. A Chapter 13 trustee's responsibilities are similar to those of a Chapter 7 trustee; however, a Chapter 13 trustee has the additional responsibilities of overseeing the debtor's plan, receiving payments from debtors, and disbursing plan payments to creditors.

Chapter 7 trustee

A person appointed in a Chapter 7 case to represent the interests of the bankruptcy estate and the creditors. The trustee's responsibilities include reviewing the debtor's petition and schedules, liquidating the property of the estate, and making distributions to creditors. The trustee may also bring actions against creditors or the debtor to recover property of the bankruptcy estate.

Codebtor

A person or entity that may also be responsible for paying a claim against the debtor.

Creditor

A person or organization to whom you owe money or who claims that you owe it money.

D

Debtor

A person who has filed a petition for relief under the Bankruptcy Code.

Debtor's plan

A debtor's detailed description of how the debtor proposes to pay creditors' claims over a fixed period of time.

Discharge

A discharge in bankruptcy relieves you after your bankruptcy case is over from having to pay debts that you owed before you filed your bankruptcy case. Most debts are covered by the discharge, but not all. (The instruction booklet explains more about common debts that are not discharged in bankruptcy.) Only your personal liability is removed by the discharge.

Dismissal with prejudice

Court action that prevents an identical lawsuit from being filed later.

Dismissal without prejudice

Court action that allows the later filing

For additional Legal Terms please visit <https://www.uscourts.gov/glossary>.