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Bankruptcy - Chapter 13 Codebtor Stay by [Joseph Githuku](#)

Article published on August 5th 2012 | [Finance](#)

As Baltimore Bankruptcy attorneys we routinely see individuals who have been compelled to file more than one bankruptcy case in a relative short amount of time especially in light of this recession. Just recently I sat in the Baltimore Bankruptcy Court while an elderly couple trying to save their home from foreclosure had their case dismissed due to multiple filings that did not meet the legal standards. The wife started crying right in the courtroom and the judge, who was moved by their plight but constrained by the law, immediately took a recess after that case.

Therefore, it is paramount that if you have a prior bankruptcy case that you thoroughly understand the implications of filing a new case. First, one of the most useful tools in bankruptcy is known as the Automatic Stay. The Automatic Stay prevents creditors from taking action against the debtor upon the filing the case. This is the mechanism used to stop a foreclosure sale on its dime or stop a wage garnishment.

But, with multiple cases the automatic stay is not the same. If a case is filed within a year of a previous case that resulted in dismissal, the automatic stay does not last as long. The law states that if a previous case was dismissed within a year of the new case then the automatic stay lasts only thirty (30) days unless the Court extends the stay upon a showing that the case was filed in good faith (to be discussed in another posting). See U.S.C. Â§362(c) (3).

Furthermore, if an individual has had two cases or more dismissed within the year before the new petition is filed the law provides that the automatic stay will not apply with one exception. See U.S.C. Â§362(c) (4). The law excludes cases refilled under the presumption of abuse section. Therefore, this means that the filing does not automatically stop a foreclosure or other actions by creditors.

This is critical to remember because as Baltimore Bankruptcy attorneys we have seen several individuals who have relied on the internet and other questionable sources to prepare and submit multiple bankruptcy petitions over a short period of time. One example involved a Maryland resident getting advice from a so-called foreclosure prevention specialist all the way in California and filing bankruptcy cases using totally incorrect information. This individual wasted a lot of money and time doing this and may end up losing his home.

Therefore, if you are contemplating filing a new case within a year of the filing of your previous case plan to address the automatic stay issue right away. As Maryland bankruptcy attorneys we know this is the case especially if you are filing to stop a foreclosure because if the automatic stay expires after thirty days the lender can foreclose without seeking the bankruptcy court's permission.

If you need bankruptcy assistance contacts a knowledgeable bankruptcy attorney today.

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Article Keywords:

Baltimore Bankruptcy Lawyers, Credit Repair Attorneys, Bankruptcy Lawyers, Baltimore Bankruptcy Attorneys

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