
**CHAPTER 7 BANKRUPTCY FACTS
FOR CONDOMINIUM & HOMEOWNERS ASSOCIATION**

Chapter 7 is liquidation of all assets except those exempted and/or reaffirmed

1. **DOES NOT ELIMINATE THE DEBT DUE**
2. Stops (stays) legal actions against person or organization (party) that filed bankruptcy while bankruptcy case is open, unless stay is lifted
3. Stops suit against bankrupt party to collect the money owed by the party for money owed up to the day bankruptcy filed
4. Does not eliminate the party's obligation to pay amounts that become due after the filing day of bankruptcy
5. Does not eliminate the lien for amounts due prior to the date bankruptcy filed
6. "Discharge" in the bankruptcy will discharge personal obligation to pay assessments due prior to the date bankruptcy filed. Does not discharge lien or debt against the property or stop the right to possession of the unit.
7. Can sue to evict after discharge (bankruptcy ends) or if bankruptcy stay is lifted. (Bankrupt Debtor must be named but suit is In Rem for debt against the property)
8. Can sue to foreclosure after discharge or get permission from Bankruptcy Court (Order lifting Stay)
9. Individual personally owes all amounts of assessments and other charges after filing of the bankruptcy. (Can sue person and collect these amounts or can sue In Rem to evict and get judgment against unit after discharge or after Stay lifted)