



WILL YOU KEEP YOUR HOUSE IF YOU FILE A CHAPTER 13?

Read this page carefully and find out.

1. **As a general rule, you keep all of your property when you file a Chapter 13**, but every rule is subject to qualifications and exceptions.
2. **You can never reduce the amount of your monthly notes on a mortgage secured only by your family home, even in a Chapter 13 Plan, unless** your mortgage holder agrees to a reduction, and this almost never happens, or unless the value of your house is so low that the mortgage is considered completely unsecured.
3. **If you are up-to-date on your mortgage when you file your Chapter 13, the only way that you can be sure that you will keep your house** is if you continue to make all future monthly mortgage and escrow payments on time directly to your mortgage holder, **AND** you make all payments due under your Chapter 13 Plan directly to the Trustee, **AND** you pay all taxes and insurance that become due.
4. **If you are behind on your mortgage when you file your Chapter 13, the only way that you can be sure that you will keep your house** is if you immediately start making future monthly mortgage payments on time directly to your mortgage holder **AND** you make all payments due under your Chapter 13 Plan directly to the Trustee.
5. **Here's an example of what we mean:**

If you have a first mortgage with installments of \$1,200.00 per month including escrow, and a second mortgage with installments of \$300.00 per month, and your Chapter 13 Plan calls for you to pay the court \$600.00 per month, then you must pay a total of \$1,200 + \$300 + \$600 per month (\$2,100 total) in order to keep your house. You must also pay all taxes and insurance on the property.

Don't take any chances.

If in doubt,
ask your attorney before you file.