

Legal Services Corporation of Delaware, Inc.

A non-profit law firm and community education organization assisting low-income families in Delaware.

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Types of Bankruptcy Cases ^[1]

There are four types of bankruptcy cases provided under the law:

1. **Chapter 7** is known as “*straight*” bankruptcy or “*liquidation*.” It requires a debtor to give up property which exceeds certain limits called “exemptions,” so the property can be sold to pay creditors.
2. **Chapter 11**, known as “*reorganization*,” is used by businesses and a few individual debtors whose debts are very large.
3. **Chapter 12** is reserved for family farmers.
4. **Chapter 13** is called “*debt adjustment*.” It requires a debtor to file a plan to pay debts (or parts of debts) from current income.

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