

# Blutter & Blutter Explains How Filing Chapter 13 Bankruptcy Can Aid with Student Loan Debt

Tyler Collins February 25, 2015



Blutter & Blutter Bankruptcy Attorneys

**Student loan debt is rarely dischargeable under bankruptcy law. Blutter & Blutter offers advice on reducing and potentially eliminating debt through Chapter 13 bankruptcy for debtors currently under student loan obligations they cannot afford to pay.**

([Newswire.net](http://www.newswire.net) -- February 25, 2015) Plainview, NY -- Student loan debt has skyrocketed in the US in the last few years thanks to a rise in higher education costs. Except in rare cases, student loan debt cannot be

discharged in bankruptcy. However, those who are struggling to pay their student loan debt can use Chapter 13 bankruptcy to delay or reduce monthly payment obligations. Chapter 13 bankruptcy is a great option because it allows debtors to reorganize their debts and repay at least part of them over a long period of time.

As the bankruptcy attorneys at Blutter & Blutter explain, the only way to discharge student loan debt through bankruptcy is to prove that paying the loan back would be an "undue hardship." This can be extremely difficult to prove and, in some cases, may still require the students to pay the money back at a later time.

Chapter 13 bankruptcy does provide some relief options for heavy student loan debt. During bankruptcy, student loan debt is treated as a non-priority unsecured debt, similar to medical bills. While one cannot usually eliminate this type of debt, student loan debt will receive a pro-rata share of the total amount paid to the creditor in the debt repayment plan. This can, in effect, delay or reduce the payment amount required each month during the life of the bankruptcy. The benefit of this is that the debtor continues to pay the student loans, but is only required to pay what he or she can afford.

Along with helping a debtor reorganize debts, bankruptcy can also provide other benefits like an automatic stay. When an individual files for Chapter 13 bankruptcy as seen at <http://www.blutter.com/>, an automatic stay immediately goes into effect. This means that creditors, including student loan creditors, cannot attempt to collect on the debt owed. If the student loan company has been calling and harassing the debtor, they can no longer legally do so. Though Chapter 13 bankruptcy may not remove the requirement to repay student loan debt, a bankruptcy attorney as seen at <http://www.blutter.com/long-island-bankruptcy-lawyer/> can assist students to use a bankruptcy filing to offer other solutions to debt issues.

**About Blutter & Blutter:** Blutter and Blutter is a law firm in Long Island that handles bankruptcy, foreclosure and tax law cases. The attorneys practicing at Blutter and Blutter successfully and consistently provide clients with over 55 years of service.

## For More Information:

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