

AFTER FILING BANKRUPTCY IN PENNSYLVANIA

Bankruptcy Survival Guide

How to Protect Your Home, Equity, and Peace of Mind After Filing

WHY THIS GUIDE MATTERS

Filing bankruptcy is a significant step — it creates an automatic stay that immediately halts the sheriff sale and buys critical time. But here's what most homeowners don't realize:

40%

Still lose their home after filing

50%+

Of cases collapse within the first year

2 out of 3

Chapter 13 cases fail

Bankruptcy stops the sheriff sale temporarily — but rarely fixes the root problem. This guide explains the biggest risks and the steps you can take to protect yourself.

THE 5 BIGGEST RISKS AFTER FILING BANKRUPTCY

- 1 Drained Savings** — Many families spend their last dollars retaining an attorney and filing. With no cushion left, even a small unexpected expense can unravel the entire plan.
- 2 Frozen Credit** — Bankruptcy often restricts access to credit cards. Covering everyday expenses like groceries and gas becomes harder at exactly the wrong time.
- 3 Missed Chapter 13 Plan Payments** — Chapter 13 requires strict, on-time payments to the trustee. Missing just one can trigger a Motion for Relief from Stay — and the sheriff sale restarts.
- 4 Fees & Interest Keep Growing** — Each missed or late payment adds more fees and interest to the balance. Debt grows instead of shrinking, making recovery harder every month.
- 5 False Sense of Security** — Bankruptcy buys time, but without a real plan, foreclosure often returns within 6-12 months — and the second time, options are far more limited.

THE NUMBERS THAT MATTER

- > **40%** of homeowners who file bankruptcy still lose their home to foreclosure.
- > **50-60%** of Chapter 13 cases end up back in foreclosure within the first year.
- > **2 out of 3** Chapter 13 bankruptcies fail before completion — meaning most people will need another solution.

Example: A York County homeowner filed Chapter 13 with \$58,000 in equity. After missing two trustee payments, the lender filed a Motion for Relief from Stay. The court approved it. Eight months of payments — gone. The sheriff sale was rescheduled within 30 days.

REAL STORIES

One missed payment — eight months of work undone

A Cumberland County family filed Chapter 13 in April. By December, a job slowdown caused them to miss one trustee payment. The lender filed immediately. The court approved relief from the automatic stay and the sheriff sale was back on the calendar within weeks.

The escrow they didn't budget for

A Dauphin County homeowner filed bankruptcy and was making every payment. Three months in, an escrow adjustment added \$275/month to the mortgage. Combined with the trustee payment, they couldn't sustain it. Before the case was dismissed, they executed a cash sale and walked away with \$42,000.

Bankruptcy delayed foreclosure — it didn't stop it

A Lancaster County homeowner relied on credit cards for basics after filing. When access was restricted, cash flow collapsed. Within four months they were behind again. The automatic stay had bought time — but without a backup plan, the outcome was the same.

6 STEPS YOU CAN TAKE RIGHT NOW

- 1 Track Every Trustee Payment** — No missed payments. No grace periods. Set a calendar reminder for every due date and pay early.
- 2 Rebuild a Cash Cushion** — Even \$50-\$100/month set aside creates a buffer. The smallest emergency can derail a Chapter 13 plan with no cushion in place.
- 3 Review Your Court Documents** — Understand the repayment terms and deadlines in your plan. Don't rely solely on your attorney to track every date.
- 4 Monitor All Mail from the Court and Lender** — Motions for Relief from Stay and foreclosure notices often arrive as standard mail. Open everything immediately.
- 5 Know Your Equity** — Home value minus loan balance equals your safety net. Know that number and monitor it — it's what you're protecting.
- 6 Have a Plan B** — Bankruptcy is one tool. If the plan shows signs of strain, knowing your alternatives early — cash sale, creative finance, refinance — protects far more equity than waiting.

Want to build a real backup plan?

Free, confidential, and no obligation. A 15-minute call can map out your options before you need them.

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