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Your 2nd Mortgage May Be Eliminated In A Chapter 13 Bankruptcy Filing

According to a recent story in the Orlando Sentinel, Orlando home values continue to decline. As an Orlando bankruptcy lawyer, I have witnessed this first hand. Now, I know you didn't need the Sentinel to tell you that, but I digress.

Unfortunately, the same can be said for real estate in almost all areas of Florida. It seems everyone is underwater on their homes. In the past few years, many of my Orlando bankruptcy clients have benefited from the ability, in a Chapter 13 case, for their Orlando bankruptcy lawyer to file a motion in their case which allows them to completely wipe out the balance owed on a 2nd mortgage.

In order to qualify for this "lien stripping", you must prove that your current home value is less than the current balance of your 1st mortgage. In most cases, an appraisal from a certified appraiser is sufficient evidence. Recently, David Leibowitz, a bankruptcy lawyer practicing in Illinois and Wisconsin reviews the choices people have when eliminating a 2nd mortgage.

Here in Orlando, a recent opinion was issued by a Bankruptcy Judge that says you can only strip off a 2nd mortgage in a Chapter 13 bankruptcy case. This type of relief is not available in Chapter 7 cases. Also, you must successfully complete your Chapter 13 payment plan, and receive your Discharge Order from the Court before the mortgage will be totally gone.

Eventually, we should start to see a reverse in the declining home values plaguing Orlando, Florida, and the rest of the county. At that time, those who took advantage of the lien stripping option in Chapter 13 bankruptcy and successfully completed their payment plan, will, hopefully, again have equity in their homes.

With the help of an experienced Orlando bankruptcy lawyer, my clients can achieve this goal, as well as other goals such as eliminating credit card debt and saving money on car loans, all by filing Chapter 13 bankruptcy.

Do you have questions about filing for bankruptcy? Check out K. Hunter Goff's [FREE eCourse](#). Hire an [experienced bankruptcy lawyer](#) to work for you.