



Introduction to Bankruptcy

Bankruptcy is a legal process by which consumers and business can eliminate or repay some or all of their debts. The Federal Rules of Bankruptcy Procedure, 11 U.S.C Bankruptcy Code, and Local Rules of Bankruptcy Practice govern bankruptcy procedures. Federal Courts have exclusive jurisdiction over bankruptcy cases. Therefore, a bankruptcy case cannot be filed in a state court. A bankruptcy case normally begins by the debtor filing a voluntary bankruptcy petition with the bankruptcy court. Petitions may be filed by individuals, corporations, or other entities. Additional documentation is required listing assets, income, liabilities, and names and addresses of creditors and how much they are owed. The filing of the petition will, in most instances, automatically prevent or “stay” debt collection actions against the debtor and the debtor’s property.

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