

THE BROWN LAW FIRM

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BANKRUPTCY IN TEXAS

Family & Filing

*What bankruptcy means for your spouse, your co-signers,
and a divorce.*

One of the first worries people have is who else gets pulled in. For most families the answer is reassuring, with a few real exceptions worth understanding before you file.

JEROME A. BROWN · BOARD CERTIFIED IN CONSUMER & BUSINESS BANKRUPTCY LAW, TEXAS
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Filing is yours. Here is who it does, and does not, touch.

People worry that bankruptcy will drag a spouse, a co-signer, or their kids into the mess. Mostly it does not. Your case is about your debts and your property. But Texas is a community-property state, and co-signed and joint debts follow their own rules, so the honest answer has a few edges worth knowing.

SECTION ONE

Filing With or Without a Spouse

Does my spouse have to file if I do?

No. One spouse can file alone. Because Texas is a community-property state, we still account for your spouse's income and certain shared property when preparing your case, but your spouse does not have to be part of the filing. Whether filing alone or together makes more sense depends on whose debts are whose, which we sort out with you.

What is a joint bankruptcy petition?

It is a single case filed by a married couple together. Only spouses can file jointly. Anyone else, including unmarried partners and businesses, files a separate case. Filing jointly can be efficient when most of the debt is shared, but it is not required just because you are married.

SECTION TWO

Your Spouse, Co-Signers & Family

Will filing affect my spouse's credit?

The filing itself shows up only on your credit report, not your spouse's. Your spouse stays responsible only for debts they are legally on, like a joint account or a loan they co-signed. Being an authorized user on your card is not the same as being legally liable for it. *Texas community-property rules can affect how shared debts and property are treated, so it is worth reviewing the specifics with us.*

Can a co-signer be held responsible if I file?

Yes. Your discharge wipes out your liability, not the co-signer's. A creditor can still look to whoever co-signed for the remaining balance. One difference worth knowing: a Chapter 13 includes a co-debtor stay that temporarily shields a co-signer on consumer debts while your repayment plan is active. A Chapter 7 does not.

Will my bankruptcy hurt my family's credit or put their property at risk?

No. Your case involves your debts and your property. It appears on your credit report alone, and it does not touch the credit or the belongings of your parents, your children, or other relatives. The one exception is someone who co-signed or pledged their own property for your debt, which is a responsibility they took on by signing.

SECTION THREE

Bankruptcy & Divorce

Does my divorce decree protect me from creditors if my ex files?

Not from the creditor. A divorce decree divides debts between you and your ex, but the creditor was not part of that agreement and is not bound by it. If you are jointly liable or co-signed, the creditor can still pursue you for the full balance even though the decree assigned the debt to your ex. The decree may give you a claim back against your ex, but that is a separate matter.

Can I discharge debts I was ordered to pay in a divorce decree?

It depends on the type of debt and the chapter. Support obligations like alimony and child support cannot be discharged in either Chapter 7 or Chapter 13. Other divorce-related debts, such as a property settlement or an agreement to pay off a joint debt, cannot be discharged in Chapter 7, but may be dischargeable in Chapter 13 once you complete your repayment plan. This is one of the clearest places where the choice of chapter changes the outcome.

Should I file for bankruptcy and divorce at the same time?

They are two separate legal processes that can pull against each other, and filing one can complicate or slow the other. Sometimes it makes sense to handle them in a particular order rather than at once. There is no single right answer, so it is worth talking through with both your family lawyer and us before you act.

General information, not legal advice.

This guide explains, in general terms, how bankruptcy tends to work for individuals in Texas. It is **not legal advice** and does not create an attorney-client relationship. Bankruptcy outcomes turn on the specific facts of your situation, your district, and current law, all of which change from one case to the next.

Before you act on anything here, talk with a bankruptcy attorney about your own circumstances. That is the only way to know how these rules apply to you.

Worried about how this affects your family?

Schedule a free, no-obligation phone consultation with The Brown Law Firm.

Text us: (512) 306-0092

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