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BANKRUPTCY IN TEXAS

What Gets Wiped Out

The discharge is the heart of bankruptcy: which debts disappear, and which ones follow you.

The discharge is the moment your debts legally end. Most are wiped clean. A few survive by law, and knowing which is which is the difference between a real fresh start and a surprise.

JEROME A. BROWN · BOARD CERTIFIED IN CONSUMER & BUSINESS BANKRUPTCY LAW, TEXAS
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The discharge is what bankruptcy is really for.

Everything else in a bankruptcy case builds toward one thing: the discharge, the court order that ends your legal obligation to pay. Most ordinary debts are wiped out completely. A handful survive by law. Here is how the discharge works, and what it does and does not reach.

SECTION ONE

What a Discharge Is

What is a bankruptcy discharge?

A discharge is the court order that wipes out your legal obligation to pay qualifying debts. Once a debt is discharged, the creditor can never try to collect it again: no calls, no letters, no lawsuits. It is a permanent court order, and it is the heart of what bankruptcy does, the fresh start everything else is built around.

Which debts get wiped out, and which survive?

Most ordinary unsecured debts go away: credit cards, medical bills, personal loans, older income taxes, and the like. A handful of debts survive a bankruptcy by law, including child support and alimony, most recent taxes, debts from fraud, and most student loans. The questions below walk through the ones people ask about most.

What is the difference between a discharge being denied and a debt being non-dischargeable?

They sound alike but are very different. A denial of discharge is rare and serious: the court refuses to wipe out any of your debts, usually because of dishonesty in the case, like hiding assets or lying on the paperwork. A debt being non-dischargeable is narrow: your discharge goes through normally, but one particular debt, say a recent tax or a student loan, is not covered and stays owed. One is about the whole case. The other is about a single debt.

SECTION TWO

Debts People Ask About

If a creditor has a judgment against me, will bankruptcy eliminate it?

Usually the debt behind the judgment is wiped out, so the creditor can no longer collect the money from you personally. But there is a catch: if the creditor recorded a lien against your property based on that judgment, the lien can survive the bankruptcy even though the debt is gone. The good news is that many judgment liens can be removed through a separate step in your case. Tell us about any judgments or liens so we can deal with them properly.

Can I discharge my IRS tax debt?

Sometimes, yes. Older income taxes can be wiped out if they meet three timing tests, often called the 3-2-240 rule: the return was due at least three years before you file, you actually filed it at least two years before, and the tax was assessed at least 240 days before. Only income taxes qualify, never payroll or trust-fund taxes, and never taxes tied to fraud or evasion. Newer taxes that do not yet qualify can often be handled through a Chapter 13 repayment plan instead. The dates get technical, so let us run them for you.

Can I discharge my student loans?

Not automatically, and it is harder than for ordinary debt. Student loans come off only if you show that repaying them would be an undue hardship, which is a separate, specialized court process. The older notion that this is nearly impossible is out of date: since 2022 there has been a clearer process for federal student loans, and discharges do happen. *It is its own kind of case, though, so if student loans are part of your picture, raise it at your consultation and we will point you in the right direction.*

Will bankruptcy discharge my child support?

No. Child support and alimony cannot be wiped out in either Chapter 7 or Chapter 13, full stop. What a Chapter 13 can do is give you a structured way to catch up on past-due support over time, under court protection, while you stay current going forward. It does not erase the obligation, but it can make a daunting arrears balance manageable.

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.

Not sure which of your debts would clear?

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

Text us: (512) 306-0092

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