



# An Overview of Bankruptcy Law for Farmers: Bankruptcy People and Institutions

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Bankruptcy proceedings involve various people and institutions and utilize special terminology. This infographic introduces those people, institutions, and terms so that individuals exploring bankruptcy better understand the process and are better prepared for conversations with professionals in the bankruptcy world.

An individual or business entity that files for a **petition** for bankruptcy is referred to as the “**debtor**” or “petitioner.” The debtor may be represented by an **attorney** who practices bankruptcy law. For farmers and fishermen, it can be important to work with an attorney who understands Chapter 12 bankruptcy law.



A **bankruptcy judge** oversees the bankruptcy proceeding in a federal bankruptcy court.



Bankruptcy courts are special federal courts with jurisdictions that cover all or part of a state.



Filing a bankruptcy petition automatically creates a bankruptcy **estate** consisting of the debtor’s property. The estate will be used to repay creditors through either a liquidation or a reorganization and repayment plan.

The court appoints a **bankruptcy trustee** for the bankruptcy estate. The trustee represents the estate and does not represent the debtor or creditors. The trustee is responsible for accounting for property, examining claims, furnishing information, making reports and accounts to the court, appearing at certain hearings and sales, investigating the debtor’s affairs when ordered to do so, and opposing a debtor’s discharge where appropriate.



Under **Chapter 12**, the section of the Bankruptcy Code available specifically for family farmers and fishermen, a debtor develops a **repayment plan** and submits it to the court for approval. The plan lays out how to pay fixed amounts to creditors on a regular basis, through the bankruptcy trustee

A debtor’s **creditors**, those individuals or businesses to whom the debtor owes debts, will be involved in the bankruptcy proceeding, typically with an **attorney** representing their interests.

**Secured creditors** hold a security interest, or lien, in property owned by the debtor as collateral for a debt. **Unsecured creditors** have no special rights to collect against the debtor’s property.



A Chapter 12 debtor is entitled to a **discharge** of certain debts, including those provided for in the plan, after completing all payments under the repayment plan. Creditors who were provided for in the repayment plan are not allowed to initiate or continue collection actions against the debtor to collect a discharged debt.

For more information on farm bankruptcy see our series, *Facing Farm Financial Stress: An Overview of the Bankruptcy Option* on [nationalaglawcenter.org](http://nationalaglawcenter.org).