



BANKRUPTCY: KNOWING WHEN TO SAY WHEN

Due to the recent economic climate, more and more people find themselves facing mounting debt that they cannot repay. If this happens to you, the natural question may be: How do I know when it's time to file for bankruptcy?

The answer to that question depends on a variety of factors:

- Is your home in foreclosure?
- Are you about to lose your car to repossession?
- Have you come to the end of your unemployment eligibility?
- Have your wages or bank accounts been garnished?

Don't wait until creditors have your back against the wall with the above. You should contact a bankruptcy attorney to discuss your options once you can't remedy your own debt situation. The sooner you plan, the better, in terms of protecting your credit.

HOW BANKRUPTCY AFFECTS YOUR FINANCIAL FUTURE

The decision to file for bankruptcy is, in some cases, the biggest you'll ever make. If you face foreclosure or wage garnishment, you may have no other choice. Even so, it's important to understand the impact your bankruptcy filing may have on your future financial picture.

Your Credit

Without question, if you've filed for bankruptcy, you'll carry this on your credit score for years to come. Chapter 7 filings will stay on your credit report for 10 years, Chapter 13 filings stay there for 7 years. That said, it's likely your credit is already low due to many unpaid debts and missed payments. The bankruptcy may actually raise your score as your outstanding debt will decrease.

Your Employment

Technically, you can't be denied employment due to a bankruptcy filing except for government or financial sector jobs.

Find out how filing may directly impact you.



BANKRUPTCY: UNDERSTANDING WHAT DEBT YOU'LL HAVE LEFT OVER AFTER BANKRUPTCY

If you've filed for Chapter 7 Bankruptcy protection, the ultimate goal is to have a "fresh start" and get as much of your debt discharged (or forgiven) as possible. However, not all debt is dischargeable in bankruptcy and it's important to understand what to expect.

The following are the types of debt that are generally not dischargeable in a proceeding:

- tax obligations;
- child support obligations;
- student loans;
- alimony or spousal support obligations;
- government debts or fines;
- debts not properly disclosed, etc.

These are just a few of the major types of debts that will likely not be forgiven after a bankruptcy. In other words, you'll still be obligated to pay them.

