

How filing affects credit score

Often people consider using a bankruptcy because they have many questions regarding the future and also they wonder if it could be the best way out. You need to make sure that you realize that the bankruptcy will stay on your credit report for years. You will still be able to achieve credit, but it will affect your credit number.

One of the most common questions about bankruptcy is about your current credit cards and also your credit for buying a home or another big purchase.

If money is owed on a current credit card, then it must be listed in your bankruptcy forms as a debt. These forms are filed under penalty of perjury and if fraud is detected, your bankruptcy case can be discharged.

Something that you will need to consider is that perjury is a federal crime. You may end up fined or in prison if you falsify any of the documents that you clean in your bankruptcy case. As for your cards, you'll find that if you don't owe the company anything, then you don't have to list it and you can keep it.

But this doesn't necessarily mean you will get to keep your card. Your company may cancel your account as a precautionary measure.

Also, you'll need to keep in mind that credit is available to other who files a recent bankruptcy, but the thing is you will end up paying more in interest rates.

But it is not necessarily a good idea to start up right away with those credit cards. Usually it is what gets people into trouble in the first place. It is also important to avoid credit repair scams.

The fact that you will not be able to get a loan for a home in the next ten years after filing bankruptcy is false. Usually after two years you should be able to qualify for a loan. It will stay on your credit report for quite some time, but often, it is taken into consideration and you are given a loan on good faith.