

Title:

Filing For Bankruptcy Will No Longer Be An Easy Option

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479

Summary:

Most of us already are aware that the change in the bankruptcy law will be effective this October. Those who are already in debt argue that it is unfair. Companies that have suffered profit loss through the years are relieved to hear the news.

The change in the bankruptcy law will force individuals who are in debt or facing debt to file for Chapter 13 bankruptcy. The old way of just erasing debt will no longer be an option to most.

How does Chapter 13 bankruptcy work? W...

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Article Body:

Most of us already are aware that the change in the bankruptcy law will be effective this October. Those who are already in debt argue that it is unfair. Companies that have suffered profit loss through the years are relieved to hear the news.

The change in the bankruptcy law will force individuals who are in debt or facing debt to file for Chapter 13 bankruptcy. The old way of just erasing debt will no longer be an option to most.

How does Chapter 13 bankruptcy work? Well it is a plan that arranges monthly payments of the debtor. The courts calculate what amounts the individual can pay on a monthly basis. Chapter 13 is available to anyone who has some kind of steady income allowing them to come up with money to pay off their debts. It does prevent the debtor from the need to liquidate any of their available assets. The individual does not decide what they can pay and when they can pay it off. The courts will calculate the payment arrangements and the time line in which the debts are to be paid off.

Now that there is a new bankruptcy law people should plan better for the future

to prevent their need to file as bankrupt.

There are circumstances that most individuals do not account for when they invest into a home or use credit cards for purchases. One significant cause to debt is suffering some kind of financial loss such as losing a job or investments such as stocks. When this kind of situation occurs people are not equipped to pay their monthly payments such as mortgages leases and credit card bills.

A wise thing to do is to be prepared for the unexpected. Save some money off to the side. Keep it in a separate account in case something that was to happen in the future that effects your income. Establishing any kind of financial plan is always a good move to avoid bankruptcy.

There are things that happen that no one ever plans on that can lend him or her in debt. However part of the cause for the change in the bankruptcy law is do to those who have abused the filing power of bankruptcy. Although there are very many people who never abused the system they will have to suffer the consequences.

Most people may feel that the decision is unfair. Especially to those who did all they could from falling into debt. We can not turn back the hands of time and erase the decisions that were made by our government. Regardless of your situation we most pay the same price caused by those who abused bankruptcy in the past.

The best step we can take is to be prepared for all financial circumstances. Make a back up plan of your own and never have the need to even consider bankruptcy.