

Title:

Bankruptcy Information

Word Count:

645

Summary:

Bankruptcy is a situation in which someone who owes money will seek relief from their debts by going to court. Though bankruptcy can be good in some situations, it may not always be necessary.

Keywords:

bankruptcy, file, debt, owe, credit, repair, pay, deal, home, finance, equity, loan, cards

Article Body:

Bankruptcy is a situation in which someone who owes money will seek relief from their debts by going to court. Though bankruptcy can be good in some situations, it may not always be necessary. Just because you are in a financial strain does not mean you should immediately file for bankruptcy. There are some things you will want to take into consideration first.

Will I or Won't I?

There is no easy answer to whether or not you should file for bankruptcy. Before making a decision you should first consult an attorney or credit counselor. They will be able to look at all the factors involved with filing bankruptcy, including the advantages and cost. The amount of debt you have is one of the most important factors for whether or not you should file for bankruptcy. It is important to remember that there are many alternative solutions. One solution is to hire a financial manager.

The Financial Manager

Hiring a financial manager is a difficult decision for many people. They take control of your finances, and will pay your bills for you. They will give you a set amount of money to use for anything you wish, but their goal is to make sure all of your bills are paid on time. Using a financial manager is a good idea if you find that many of your problems come from being irresponsible with how you spend your money. Once your bills are under control, you will be given back control of your finances. If this makes you uncomfortable, you could simply

use a counseling service. You also want to make sure you use a service that has an excellent reputation.

Many lenders will work with the borrowers in paying back the money owed. It can be difficult for a lender to get back all the money they loaned out to you, even if you file for bankruptcy. Taking you to court will cost them money, and is very time consuming. When collection agencies get back the money that is owed, they will often charge the lender fees, and this will reduce the amount of money they get back. Because of this, many lenders will waive certain fees or charges as long as you make your payments on time.

Refinancing Your Home

If you are the owner of a home, you should consider refinancing in order to use the equity to pay off your debts. This could be a great alternative to filing for bankruptcy. You are likely to get tax deductions for using this method of paying off your debts, and you will also be likely to have much lower interest rates over the long term. You should be cautious when choosing which debt consolidation company you want to use. Many companies will charge you huge fees up front and leave you with a loan that will take years to pay off.

Be Wary Of The Credit Repair 'Services'

You should also be careful with so called "credit repair" services. Any service which promises to pay off or eliminate bankruptcy from your credit history are likely to be fraudulent. They will end up taking money from you and perhaps making your credit worse than it was before using their services. It is important to only use services that are highly credible. Avoid fly by night operations at all costs. They will leave you in a world of despair and make huge profits at the same time. You should only file for bankruptcy after you've talked to an attorney or credit counselor.

While bankruptcy can relieve you of the debts you owe, it will stay on your credit record for years, and it will be very difficult to apply for a job, home, or even a car. We live in a society that is very credit prone, and it is important to have good credit.