

Different Ways to File the Bankruptcy

A bankruptcy is the last option any businessman wants to take. They can cause a big dent on their credit rating and deeply ruin their reputation. But sometimes filing for bankruptcy is the only solution to get a person out of dire straits.

An important thing when looking for the right form is location. Make sure it is for the state and whatever locality that you are in. State laws vary widely, so it is especially important to find the form for the state you live in. It is worthless if it's for the wrong state. Also, make sure that the form is official. Look for government seals, or compare it with the others, and it will be easy to see whether it is or not. Filing with an illegitimate form won't do you much good.

There are various steps which you must follow when you want to file the bankruptcy. First, you have to fill out a bankruptcy form where you will provide your personal information and information on your finances, recent financial transactions, secured and unsecured debts, expenses, creditors, assets, and tax returns. This will serve as a petition. Upon filing, you will have to submit one original copy plus three other copies to your local United States bankruptcy court. You will keep one copy for yourself for reference. At this stage, you can ask the help of a bankruptcy lawyer to help you decide on what kind of bankruptcy you want to file. If you choose to file a Chapter 13 bankruptcy, you will be required to pass a repayment plan of three to five years.

Research your options as it relates to filing. Some people choose to file without the aid of a lawyer. But it's highly recommended to hire a lawyer. Your research should help you decide on a lawyer. In most cases, people who choose large firms to represent them will work with a paralegal and not the lawyer. Try to find a firm in which you have direct contact with your lawyer.

In filing a bankruptcy case, do not use your credit cards. If you do so with the intent to file, a creditor can challenge the discharge of the debt owed or even your right to discharge any debt. If you obtained the debt knowing that you could not repay it, you may not be able to discharge that debt if the creditor challenges it through a lawsuit, or adversary proceeding, in your bankruptcy case.

Immediately upon filing, there will be a provision to prevent creditors from contacting you or laying claim on your property for a month. After a month, the bankruptcy trustee will call for a meeting where you and your creditors will have to attend. This meeting is called the 341 meeting. This meeting usually lasts just five minutes. If both parties are not able to compromise and an objection is made, a judge will intervene. If a compromise is reached however, a notice from the court will be sent to you after four to six months discharging you from debts.

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About the Author

Steve Buchanan writes article on many topics including [Bankruptcy advice](#) and [bankruptcy information](#).