

Life After Bankruptcy: Automatic Bill Payment Plans

So many aspects to personal money management can seem overwhelming: Setting up a successful personal budget; choosing the right credit companies; managing debt.

These tasks can be daunting under any circumstance, but when you're also dealing with a personal bankruptcy case you could find yourself under even more pressure to "get the answers right."

[Filing Chapter 7 bankruptcy](#) can rearrange your priorities. Often, it can change the course of your life for the better, and may even provide some valuable lessons about life and personal finance.

In particular, bankruptcy may offer some clarity on the use of automatic deductions from your bank account when paying bills and rebuilding your finances after you file.

Automatic deductions are a common system offered by most banks at no extra charge. Working with your banks and your billing companies – from credit cards to utilities to mortgage and car loans – you arrange to have your bills automatically paid.

Sometimes called "paperless" or "wireless" bill payments, instead of waiting for you to write and mail a check, the amount of your bill is automatically withdrawn from the specified bank account each month. This can be done if the bill is a set amount, like a mortgage payment, or varies, like your heating bill.

First, when considering automatic bill payment ask yourself a few questions:

- How many checks do you write each month to pay your bills?
- Have you ever forgotten or missed bill payments?
- Have any of your bills been lost in the mail or arrived too late to be paid on time?
- What would happen if you missed a bankruptcy-related payment?
- Does your bank charge for checks or automatic deductions?

For many people, automatic deductions are an easy to aid for managing finances and ensuring on-time payment of bills. Automatic bill payment plans can also be useful for creating records of bill expenses when making a budget.

But automatic bill payment plans are most effective in ensuring that your bills are paid on time each month.

Paying your bills on time each month helps you avoid:

- Late fees
- Penalty charges

- Collection agency harassment
- Bill disputes

As long as you can keep enough money in your account to cover your bills, automatic deductions can eliminate the time and stress of writing checks and the possibility a creditor won't be paid.

In fact, if a dispute about bill payment does occur, your bank's electronic records will provide a secure and sound proof of payment. Disputes could be resolved quickly with a single email.

Most banks will allow you to make automatic payments to anyone. The likelihood is that if an establishment accepts any type of electronic payment method, you can probably set up an automatic payment for its bill. And even if you can't, most bill-pay services have the ability to pay anyone with a physical address, whether they accept electronic payments or not.

You may still receive a paper bill for your own records. Automatic deductions will still require you to balance your accounts and keep up with your budget.

Staying out of debt is all about getting control. Automatic deductions are one way that you can keep your debts and your life under control.

If you filed [Chapter 7 bankruptcy](#) your debts may be clear, but you'll want to do more than just stay debt free. You'll want to build your credit back and get on the road to saving and building.

Automatic deductions can provide the control and consistency you need when managing your finances and making a full recovery from debt.