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Bankruptcy And Immigration - Does Filing For Bankruptcy Influence Immigration Status?

This guest post is courtesy of **Oak View Law Group**:

Debt issues are quite common nowadays. If you are slogging through a swamp of debts, **Debt Settlement Company** can help you out in this regard and can ease or eradicate your debt loads. You can file for bankruptcy as well but if you are a non-citizen of U.S and worrying how bankruptcy can affect your immigration issue, read the rest of the article, and find out whether filing for bankruptcy can jeopardize your immigration status or not.

There is no such specific law which states clearly anything about bankruptcy and immigration or any regulation which disqualifies anyone from the privileges of immigration in the US. However, bankruptcy might not have any direct influence on immigration status, it has some indirect ones for sure. The Bankruptcy Code pronounces clearly that "...only a person that resides or has a domicile, a place of business, or property in the United States, or a municipality, may be a debtor

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under this title" [11 U.S.C. Section 109(a)]. The term "person" incorporates individual, partnership, and corporation... [11 U.S.C. Section 101(a)(41)]. The bottom line is there is no requirement of citizenship in the bankruptcy code.

How Bankruptcy Affects Immigration Status

- In general, filing for bankruptcy won't affect the citizenship applications in any way. However, whenever there are criminal convictions like holding credit cards in other people's names, writing "fraudulent" checks in more than one state, tax evasion, false transfers of assets, or filing an inaccurate bankruptcy petition, it would mandate the deportation crimes of "moral turpitude" and can adversely affect one's immigration status.
- To gain the lawful permanent citizenship of US, one must establish himself as of "good moral character" before US Citizenship and Immigration Services. Filing for bankruptcy might be deemed as a blemish on one's moral character and therefore won't have a good impact on his or her immigration status.
- Tax evasion is a serious matter of concern for people who are still immigrants or had applied for citizenship. People becoming a lawful permanent resident should not fail to file a required federal, state, or local tax return, or must not owe any federal, state, or local taxes that are overdue. However, someone filing for bankruptcy does not prove that the person has overdue taxes as well. If any immigrant works illegitimately and does not pay taxes on time or transfer money or property to another person in order to evade tax liabilities, and if these amounts exceed **\$10,000**, he or she could be considered an "aggravated felon" and is conclusively estimated to be an outlaw and hence could be ostracized.

Bankruptcy and immigration around the world

While maximum countries have bankruptcy laws and procedures similar to those of the United States, some of the countries have different cultures and attitude towards the issue. In countries like China or Japan, most people are ignorant of bankruptcy and the suicide rate is quite high for people going through financial turbulence. However, in countries like Hong Kong no social stigma is attached to bankruptcy and it is accepted by almost everyone.

Final thought

Remember, the immigration officers no matter which country they belong to, always verify the immigrant's financial status. Therefore, if you are an immigrant, stay honest while passing any information to the federal government and make sure that all your income is reported to the IRS on tax returns. If required, you can take help from immigration attorneys in this regard and determine whether bankruptcy can adversely affect your immigration status.

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