

## 5 Signs That It May Be Time to File Bankruptcy

Bankruptcy is intended to help honest debtors get a fresh start, but there is no hard and fast rule on who will benefit the most from filing for bankruptcy. These are some of the warning signs that I look for when advising a potential client that it may be time to file for bankruptcy:

**1. Struggling to make rent or mortgage payments.** When someone is faced with mounting bills, some debtors will play a game I call the Credit Card Shuffle, randomly choosing which minimum payment to make based on how nasty the collection call will be. Some debtors will even pay credit card bills before paying their rent or mortgage rather than face those harassing collection calls. This is simply wrong. Food and shelter should take priority over credit card debt.

**2. Stress.** Are you losing sleep or constantly arguing with your spouse because of your debt problems? Money problems are a leading cause of divorce. Bankruptcy is not a cure all, but it can help remove your financial problems as a source of difficulties and stress in your marriage.

**3. Health.** I have seen far too many clients losing sleep and suffer stress-related health problems because of their financial struggles. A willingness to work multiple jobs or crazy overtime hours may be a sign a good character, but it can lead to burnout, exhaustion and anxiety.

**4. Changes in your normal behavior.** Are you considering doing something illegal to fix your debt problems or something that could put your health or the health of your family at risk? Have you taken up gambling or drinking? Are you doing things that are “out of character” for you? These may be signs of desperation and it may be time to see an attorney.

**5. The Balance Transfer Shuffle.** Are you constantly applying for new credit cards to take advantage of low balance transfer rates? This may be a sign that you are in over your head in debt.

If you identify with one of these warning signs, schedule a consultation with a bankruptcy attorney and explore your options. Debtors in Southern California may [contact us](#) for a free consultation.

*About the Author: [Carl H. Starrett II](#) has been a licensed attorney since 1993 and is a member in good standing with the California State Bar and the San Diego County Bar Association. Mr. Starrett practices in the areas of [bankruptcy](#), [business litigation](#), [construction](#), [corporate planning](#) and [debt collection](#).*