



Bankruptcy - How Long Will Bankruptcy Affect Me?

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If you've been thinking about filing bankruptcy, you have probably wondered what your life will be like afterwards. Many consumers assume that, since your credit report will list a bankruptcy for ten years, they'll be unable to obtain any kind of credit at all.

It is true that you'll deal with the effects of bankruptcy for as long as it stays on your record... but it won't be as bad as you think. The older the bankruptcy becomes, the less important it will be to potential lenders... as long as you rebuild your credit and handle your finances responsibly.

The first year after bankruptcy will be the hardest. Lenders will see that you have had recent financial troubles, and will often be hesitant to issue a credit card or lend you money. Getting an unsecured credit card could prove quite difficult, although there are a few lenders that may be willing to give you a low limit card (usually \$200 to \$500).

If it is not possible to obtain an unsecured credit card, it's a good idea to get a secured card. The card will be pre-paid, so it will work more like a savings account, but it will give you a way to book hotel rooms, purchase airline tickets, and travel without cash. Also, many secured card lenders will report your timely payments to the three major credit bureaus. This will give your credit score a boost, making it easier to get an unsecured card or a line of credit.

You might be able to get a car loan after your bankruptcy has been discharged for a year. Be prepared for a substantially higher interest rate than you're used to, though. The longer you wait after your bankruptcy, the lower your interest rate will be.

Bankruptcy will also keep you from getting a mortgage loan for two years. After that, if you have taken steps to rebuild your credit, you may be able to obtain an FHA loan with down payment as low as 3% of the purchase price.

In some respects, bankruptcy will affect you for the next ten years. By being financially responsible, though, you can minimize these effects, and get back to a normal life surprisingly quickly.

For more information on fighting back against harassing bill collectors go to www.NewYorkBankruptcyHelp.com and download a copy of my free book, *Escape from the Slithering Bottom Feeders: How to Stop Harassing Bill Collectors and Fight Back Legally and Effectively So You Can Sleep Better at Night*.

Jay S. Fleischman is a [New York bankruptcy attorney](#) and Managing Partner of Shaev & Fleischman, LLP. Jay is also the author of [The Consumer's Guide To Bankruptcy: The Truth About Ending Your Bill Problems And Getting Back The Good Credit You Deserve](#).

