



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

February 13, 2012

Your Questions on Bankruptcy Answered

Bankruptcy is a provision in the bankruptcy code that allows the bankruptcy court the right to declare your personal debts (or business debts) resolved either through liquidation of your assets or gradual payment via a payment plan. With the prolonged economic recession more and more people are contemplating filing for bankruptcy to overcome their tremendous financial debts. For most people, a bankruptcy filing would be a once-in-a-lifetime experience as you would not want to have to do it multiple times. In view of that, if you are contemplating filing for bankruptcy, it would be natural to have some questions about the process. Here are some of the most common questions about bankruptcy.

Can bankruptcy relieve me of all my debts? Most of your debts can be resolved either through payment from the sale of assets or payment plan, but some debts cannot. Some examples are child support and certain tax debts.

What are the types of bankruptcies that apply to individuals? The bankruptcies that apply to individuals are Chapter 7 and Chapter 13 bankruptcies (named according to the sections of the bankruptcy code that govern them).

What are the differences between Chapter 7 and Chapter 13 bankruptcies? Chapter 7 bankruptcy is known as liquidation bankruptcy and it is where the court orders you to liquidate your non-exempt assets to pay of as much of your debts as possible. The remaining debts after liquidation are forgiven. Chapter 13 bankruptcy is known as the wage earners' bankruptcy and is technically a court-ordered payment plan where you get to keep your assets but repay your debts over a period of up to 5 years.

What effect will filing for bankruptcy have on my credit rating? Your credit rating will show that you have filed for bankruptcy before and such a rating will be on your record for between 7 to 10 years. However, this does not mean that you would not be able to obtain credit. If you keep up your payments promptly, you will repair your credit rating and will be able to obtain credit in due course, often even before the expiry of 7 years.

<http://tampabankruptcy.pro/blog/>

Which type of bankruptcy should I file for? There are certain prerequisites you have to fulfill in order to qualify for each type of bankruptcy. So which type to file for would depend on your personal financial situation. Generally, the prerequisite to be eligible for Chapter 7 bankruptcy is more stringent than Chapter 13. The best thing to do would be to discuss your situation with an experienced bankruptcy attorney. Call us at (813) 200 4133 for a free consultation.