



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

February 27, 2012

Can I File for Bankruptcy if I do Not have a Job?

To most people filing for bankruptcy is a decision to rid oneself of financial debts and start anew. But what if you do not have a job? Can you still file for bankruptcy? Do you need to be employed to service your debts while in bankruptcy?

If you have recently been fired from your job, the first recourse would be to look for a new job. But in this tough economy, landing a suitable job may be difficult. In the meantime, your bills and debts keep piling up and your savings start to run out. Before you know it, you receive lawyers' letters in the mail informing you of imminent legal action if you do not pay up your dues. What's more, if you do not secure employment before your savings run out, then you will be in a precarious position.

In such a situation, one good option to take is to file for bankruptcy. A bankruptcy petition will protect you from creditors' collection efforts and give you a much needed reprieve in settling your debts. The type of bankruptcy you should file for while unemployed would be Chapter 7 bankruptcy because this means selling off your non-exempt assets to pay off your debts. Any debts that remain unpaid after your assets have been liquidated will be cancelled.

The other option most people can choose is to file for Chapter 13 bankruptcy. But Chapter 13 bankruptcy would need you to be gainfully employed because it is a payment plan where you repay your debts over a period of up to 5 years based on your salary and amount you can afford.

So if you apply for Chapter 7 bankruptcy, you will need to pass a means test. A means test is to see if your total household income is lower than the mean household income set by your state. If you are unemployed, the means test may include reviewing income earned over the last 6 months prior to filing. This could have a big effect on whether or not you are able to file.

Even if you gain employment and work out a payment agreement with creditors, you can still file for bankruptcy. The best thing to do would be to consult a bankruptcy attorney to work out the best way to get rid of all your debts through bankruptcy.

If you intend to file for bankruptcy (or are thinking about it), call us at (813) 200 4133 for a free consultation.

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