

Public Service Announcement: Don't Wait Until You Are Out Of Options To Consult A Bankruptcy Attorney

In case you are a new reader, I am an affordable Phoenix, Arizona bankruptcy attorney. I help consumers file for chapter 7 or chapter 13 bankruptcy protection under the bankruptcy code.

Like many good Phoenix bankruptcy lawyers, I offer my clients free bankruptcy consultations. This allows potential clients to interview me and, in addition, for me to interview them. See, each set of facts I am presented with is unique, and accordingly some may be better suited for bankruptcy protection than others.

At the risk of over generalizing, I have noticed there is a tendency for clients to present in one of two categories. First are the individuals gung-ho to file. They have more likely than not witnessed the positive impact of bankruptcy protection on a close friend or family member and are interested in achieving a similar fresh start.

These potential clients arrive at my office well informed and with stacks of documents in hand. So what is the problem here? Bankruptcy is often not a great option for them. I find that those most excited to file have often gotten a little ahead of themselves. A common example is the potential debtor with minimal total dischargeable debt - sometimes not even more than attorney/court fees needed to file.

I don't want to minimize the effect that even a few thousand dollars in credit card debt can have on your finances, but bankruptcy does have serious pitfalls. For obvious reasons, I am obligated to point these individuals in the direction of other, more applicable resources.

This service announcement is for the second group of clients. This includes those individuals that have tried absolutely everything in their power to avoid filing for bankruptcy. They have borrowed money from family to stay current on their mortgage. They have drained their retirement accounts to pay down high interest credit card bills. They have taken loans from their children's college funds to placate determined debt collectors. These clients come into my office physically exhausted from the stress of treading in an ocean of bills, never making it any closer to shore.

Let me say it loud and clear: please do not wait until this point of desperation to schedule a meeting with me. I can provide much more favorable results if we consider your options before things get this bad.

I believe with some people, it is the stigma of failure surrounding bankruptcy which prevents them from seeking help sooner. I promise you, you will be much better off if you attempt to separate such emotions from your financial situation. There are many factors that should be weighed when considering the option of bankruptcy, but shame or guilt should be excluded from that list.

Trying to untangle the exact cause of your need for bankruptcy is often messy, and to be hoest of no real vaule to anybody. Perhaps there was an unexpected medical expense, or a lost job. Perhaps you simply a day late on your credit card bills (Q: "oh honey, did you remember to stick the bills in the mail?" – A: "Of Course, Dear" [while quickly shoving a stack of unsent mail under your shirt]), and saw your interest rates jump to 30 or even 40%. Maybe you took a chance on a new business (which I thank you for – entrepreneurship is vital to the growth of our economy), and it didn't quite work out. Regardless, it doesn't matter.

When you have reached a point where your head is barely above water, the best thing you can do for yourself and our economy as a whole is to take a step back and determine your realistic possibilities. Don't continue punishing yourself, it won't do any good (not to mention it is often unwarranted). As long as you have learned from your previous experiences, there is no reason to be burdened by their weight any longer.

Instead, if you find yourself in a position of financial hardship and are in the Phoenix area, please schedule a free bankruptcy consultation sooner rather than later. Come in and talk to me! Learn a little more about the bankruptcy process. It is a common misconception, but I will never pressure you to file for chapter 7 or chapter 13 protection if it is not the right move for you. And, perhaps you may just learn something.

One of the hardest parts of my job is seeing all the good people that have, in the process of trying to prevent bankruptcy, rendered themselves nearly destitute. Remember, the bankruptcy code provides debtors sufficient exempt assets to allow themselves a fresh start, the ability to successfully rebuild after bankruptcy. These are provided to you for a reason. Somebody out there decided that they encompass the specific assets which make recovering from bankruptcy a surmountable task.

If you spend down exempt assets in an attempt to repay your debts (specifically, those debts that end up discharged in the long run), you will not have those assets to fuel your fresh start. This makes the rebuilding process all that much harder.