

The 10 Step Guide

Step 1 — Educate Yourself

Read as much information on bankruptcy as you can. Bankruptcy is a big decision so you should try to educate yourself of the bankruptcy process and the pros and cons of filing. Steer clear of asking people questions who aren't **bankruptcy lawyers** or who don't work in bankruptcy law on a daily basis, there are a lot of inaccurate rumors regarding bankruptcy, especially since the law change.

Step 2 — Hire an Attorney

Schedule a free consultation with a local **bankruptcy attorney** in your area. At the consultation, the attorney will gather necessary information regarding your income, household size, and your monthly expenses so they can get a good idea of what your budget looks like. The attorney will also ask you to provide details about any property or assets you own, like your house, cars, boat, stocks, life insurance policies, savings, or other investments. The attorney will also want to know a little of your financial history; whether you're being sued, and whether you have owned any property in the past that you have recently sold or transferred. Your attorney will then advise an appropriate course of action. If your attorney feels bankruptcy is right for you, he will go over the options available under the Bankruptcy Code and help you determine what Chapter is a better fit for you. If you decide to hire the attorney to represent you, you will sign a retainer agreement which will detail the attorney fees and your rights and responsibilities. Many bankruptcy attorneys can be retained for as little as \$100 and offer payment plans for the balance.

Step 3 — Pay your Attorney Fees

In a **Chapter 7 bankruptcy**, your attorney's fees typically must be paid prior to the filing of your case; otherwise the attorney's fees would be eliminated in the bankruptcy with all your other dischargeable debts. Many bankruptcy attorneys can be retained for as little as \$100 and offer payment plans for the balance. In a **Chapter 13 bankruptcy**, the majority of the attorney's fees are typically included in your monthly repayment plan and aren't required prior to filing your bankruptcy.

Step 4 — Review Your Bankruptcy Petition

Your attorney will prepare your bankruptcy petition once your fees have been paid. In addition to using the information he or she gathered at the initial consultation, your attorney may require additional documents to prepare your petition (paystubs, tax returns, a credit report, an appraisal of your home, etc.). Once the attorney has completed the bankruptcy petition, you will be given a copy to review with your attorney or on your own. When reviewing your petition, make sure all your personal information is correct - especially your name, address and social security number. You also want to make sure all your debts are listed on the petition. It will cost you extra money to add a bill that

wasn't included on the filed

Step 5 — Obtain Your Credit Counseling Certificate

Before your bankruptcy is filed, you must receive a credit counseling briefing from an approved non-profit credit counseling agency. The counseling briefing is a question and answer session with a counselor who will evaluate your financial situation and verify if filing bankruptcy is right for you. The briefing usually takes from 45-90 minutes and can be via telephone, in person, or online. If the course is not completed within the 180 days prior to filing your bankruptcy, your case will be dismissed.

Step 6 —Your Case is Filed!

Your bankruptcy attorney then files your petition with the Bankruptcy Court officially starting your bankruptcy. The filing of your bankruptcy will also commence the automatic stay which prohibits and protects you from collection actions by your creditors. In addition, the Bankruptcy court will also assign a Trustee to administer your case at the time your case is filed, and your 341 Meeting of the Creditors will be scheduled.

Step 7 — Complete the Debtor Education/Financial Management Briefing

After your case is filed, you must complete your second counseling briefing. The second briefing is called the *Debtor Education or Financial Management Briefing*. This course is of an instructional nature and is tailored around managing your personal finances after bankruptcy. The class takes approximately two hours and can be done over the telephone, in-person, or online. In a Chapter 7, you must complete this course within 60 days after your 341 Meeting. In a Chapter 13, you must complete your course before the end of your repayment plan.

Step 8 — Attend Your "341 Meeting"

You are required to attend a meeting with your assigned bankruptcy Trustee and testify under oath as to the accuracy of your filed petition.

The "341 Meeting" is held approximately 30-45 days after the filing of your bankruptcy.

"341 Meetings" are usually relatively short and painless, and it is unlikely that any of your creditors will

actually attend the meeting, even though it is also referred to as a "Meeting of the Creditors". Your

bankruptcy attorney *will* be present at this meeting to represent and assist you.

Per the Bankruptcy Code, all required Trustee documents must be tendered to the Trustee by you or

your attorney 7 days prior to the 341 Meeting. These documents vary by Trustee and jurisdiction, but will

usually include your last two years of tax returns and 60 days of paystubs.

Step 9 — Receive Your Discharge

In a Chapter 7 bankruptcy, you receive your discharge after your *Debtor Education Briefing* has been completed and as soon as the 60 day time period for your creditors to object to discharge expires.

In a Chapter 7 bankruptcy, your discharge papers usually arrive 2-3 months after your "341 Meeting".

In a Chapter 13 bankruptcy, you receive your discharge after your *Debtor Education Briefing* has been completed and you have made all required Chapter 13 Repayment Plan payments.

Once you have received your discharge, all your creditors are prohibited from EVER collecting on the debt you eliminated in your bankruptcy.

Step 10 — Rebuild your Credit

Once your bankruptcy has been discharged, concentrate on rebuilding your credit.

Below are 12 helpful

hints on improving your credit score and obtaining a happy financial future.

Check your credit report on a consistent basis

Review your credit report often to ensure all of the information is accurate.

1.

Keep your House and Car

If you choose reaffirm your mortgage and auto payments, you will get credit for keeping the loan, and

timely future payments on large obligations go a long way to improve your credit.

2.

Apply for a credit card

Obtain either a secured or unsecured credit card and repay the balance in full each month. This helps

establish a pattern of timely payment history and improves your credit.

3.

Pay everything on time

Most importantly, make sure to use your fresh-start wisely and make all your payments on time each and

every month. Filing bankruptcy will give you a second chance, but it's much more difficult to improve your

credit if you repeatedly fall into financial problems.

4.

Open a checking/5. savings account

Bankruptcy vs. Debt Settlement

It seems like there are always new debt "solution" trends every day.

Just in the last several years...

More ...

May 7 2013 - 2:07am by rmckinney

Bankruptcy Defined

According to the official United States courts online glossary, (that you can view here) bankruptcy...

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May 1 2013 - 2:04am by rmckinney

Step-by-Step Bankruptcy Process | Bankruptcy HQ

<http://www.bankruptcyhq.com/bankruptcy-step-by-step-bankruptcy...>

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managing your finances. Building a relationship with a local bank or credit union may also lead to a loan in the future.

Save

If feasible, start putting away a percentage of your monthly income into a savings account. This money can be used as a down payment or as collateral for a future loan.

6.

Get a cosigner

You are much more likely to get lower interest rates and better loan terms if a family member or close friend cosigns for you.

7.

Track your expenses

Track all of your expenses for 2 complete months and you should get a good estimate of your spending habits. You may be surprised at what you find and might easily be able to pinpoint unnecessary monthly expenses that can quickly add up.

8.

Create a budget

After you've tracked your expenses for 2 months, create a budget by deducting your monthly expenses from your monthly income. If your budget does not show enough disposable income to meet your financial needs, you'll need to determine how to either lower some of your expenses or find additional sources of income.

9.

Spend control

Sticking to your budget is critical to your financial well being. Consistently spending more than your budget allows is a recipe for debt. Avoiding charging and strictly following your budget will prevent overspending.

10.

Create an emergency fund: Create an emergency fund in an interest bearing savings account.

Emergency funds are essential because no matter how good your budget and

spending control is, there are some things that you can never plan for. These emergencies can be devastating to your credit if you don't have readily available cash.

11.

Fund Your Retirement: Once your emergency fund is established, start contributing towards a retirement plan or an IRA.

12.

BANKRUPTCY QUESTIONS

Top 10 Questions

1. **How Will The New Bankruptcy Laws Affect Me?**

2. **Can I Keep My House and Car?**

3. **How Soon After My Bankruptcy Can I Get Credit For A New House Or Car?**

4. **How Do I Know If Bankruptcy Is The Right Choice For Me?**

5. **Will Bankruptcy Wipe Out All of My Debts?**

6. **How Long Will A Bankruptcy Stay On My Credit Report?**

Free Legal Evaluation

We protect your privacy

Garnishment

Creditor Harassment

Repossession

Foreclosure

Lawsuits Other

Illness/Disability

License Suspension

Divorce

Loss of Income

Estimate **Total Debt:**

Why are you considering bankruptcy? (select all that apply):

[Bankruptcy Laws](#) [Lawyer Bankruptcy](#) [Bankruptcy Texas](#) [About Bankruptcy](#)

Step-by-Step Bankruptcy Process | Bankruptcy HQ

<http://www.bankruptcyhq.com/bankruptcy-step-by-step-bankruptcy...>

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7. **How Often Can I File For Bankruptcy?**

8. **When Will My Creditors Stop Bothering Me?**

9. **Can I File Bankruptcy Without An Attorney?**

10. **What are the Differences between Chapter 7 and Chapter 13 Bankruptcies?**