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An Overview Of The Process Of Filing For Bankruptcy.

Declaring bankruptcy is a very hard decision. Heavy debtors usually decide to file for bankruptcy if they do not see the other way out from the hard financial situation. After declaring bankruptcy and filing a bankruptcy petition with the court, the debtor will be protected from the creditors and relief from repaying debts under the Code of Bankruptcy.

Before you file for bankruptcy you should think of the serious consequences of bankruptcy which will follow you for seven to ten years. So, you should file for bankruptcy if there are no better alternatives available. But if it is only one your option to file for bankruptcy, you must prepare to face it and better understanding of the bankruptcy process will help you in that. You will get a view of the general process of filing for bankruptcy with the help of this article.

The first thing you must do is to collect your personal financial information. The personal financial information has your current secured and unsecured debts, and it also must have the information about your tax returns for past two years. You also should prepare the deed documents which have the information about the properties you own (real estate, land, a car etc.) and other loan documents. It also would be helpful for you to order your credit report, you may get a lot of useful information from you past records.

The next your step -- you have to hire an bankruptcy lawyer or you can file for bankruptcy by your own. If you decide that you can manage with filing for bankruptcy without a lawyer, you have to get the bankruptcy forms (you can find the bankruptcy forms on line), and you should fill up the forms. The bankruptcy forms must have the information about your current financial situation and about recent financial bargains (within last two years). Now you must decide what type of bankruptcy you should file for. There are two common types of bankruptcy: Chapter 7 and Chapter 13. Chapter 7 is more preferable, but not everyone are able to file for bankruptcy under Chapter 7. Choosing to file for bankruptcy under Chapter 13 your petition form must have a plan of proposed repayment of your debts. Your bankruptcy petition is completed and now you must file the petition with your local court. If you hire a bankruptcy lawyer, your lawyer will help you with all the paperwork and also will help you with the useful information. A qualified lawyer will guide you through the difficult bankruptcy process and won't let you to make mistakes which can bring you into a worse situation than you now have.

As soon as you have given your bankruptcy petition to the court, you will be under the protection of the bankruptcy code. Your creditors do not have rights to contact with you directly or by phone; the creditors also do not have rights to make demands to your property in order to sell it and to repay your debts. Your trustee will call a meeting with your creditors and the creditors' lawyer in about a month.

As you can see filing for bankruptcy is a long and difficult process. If you are not familiar with bankruptcy laws and all the details of this process, it really would be better for you to hire a lawyer in order to avoid making more mistakes.

Practically all of us remember the times when it was possible to buy something even if one hadn't got enough money. Loan was a simple way out. No wonder that now many of those who applied for a credit, are looking around for [how to avoid bankruptcy](#).

Those people who happened to get into the situation when they owe more money than they have, definitely have to search for [ways to avoid bankruptcy](#).

Being in such condition it is smart to use any tools to get over it. Avail yourself of such unique chance as the Internet technologies. Using them at full capacity can give great results. Working with search engines, forums, social networks, web sites one can discover a number of [tips to avoid bankruptcy](#) and a great deal of other relevant info. Also subscribing to RSS feed on this blog will assist to keep abreast of new publications and tips on the topic.