**Should I file Bankruptcy?**

Many people with financial problems think of bankruptcy as a way out. Bankruptcy is a powerful remedy which allows people to get rid of most debts, stop creditor collection, save income and property from seizure, and get a fresh financial start.

But bankruptcy is not always the best choice. Sometimes the disadvantages outweigh the advantages. In addition, bankruptcy usually may be filed only once every eight years. Sometimes, it is simply better to wait, because bankruptcy may be more advisable in the future.

An attorney who is experienced in bankruptcy can help you review your financial circumstances and help you decide whether or when to file bankruptcy.

**When should I consider bankruptcy?**

You should consider bankruptcy, as one possible solution, if

* If you have a high level of debts, and no realistic possibility of paying them or becoming current in the foreseeable future.
* If you have wages which are being garnished or may be garnished.
* If you have been subject to lawsuits, repossession (actual or threatened) or repeated, long-term debt collection or harassment.
* If you are threatened with, or sued for foreclosure.
* If your drivers’ license was suspended for a debt resulting from an accident.
* If you have government benefits which are being offset due to certain government debts.
* If you believe you can pay future debts and expenses, if given a fresh start by discharging most or all your existing debts.

**What if I am unemployed – isn’t that the time to consider bankruptcy?**

Actually, it may not be a good idea to file bankruptcy if you are unemployed. It will be more difficult to stay out of debt, even after bankruptcy. Additionally, if you have no wages which can be seized by creditors, it may be better to wait until you are working, and may need bankruptcy to protect your wages.

Bankruptcy may not be a good idea if you have no medical insurance. Bankruptcy only discharges debts that happened before you filed. Future medical bills may drive you right back into debt.

**Are there other reasons for not filing – or delaying bankruptcy?**

There are several other reasons why you may want to avoid or delay bankruptcy, including:

* If your total debts are too low.
* You may be ineligible to file bankruptcy (for example, failure to meet the residency requirements or due to a previous bankruptcy).
* Some of your debts may not be dischargeable.
* You may lose some kinds of property.
* If you are anticipating substantial sums of money, such as large tax refunds, personal injury claims, or an inheritance.
* If you are in a divorce proceeding (or about to begin divorce), it is sometimes better to delay bankruptcy.
* If you owe back income taxes, some of them may become dischargeable at a later time if you delay bankruptcy.

**How will an attorney help me make the best choice?**

Your attorney will review all your financial circumstances, in order to help you decide whether bankruptcy is your best option, and if so, when is the best time to file. The most important circumstances include:

* Income and job status (present and future)
* Monthly expenses
* Property
* Debts (how large, and what type)
* Collection activity / lawsuits
* Whether any significant problems may arise in bankruptcy, and
* Whether a Chapter 7 or Chapter 13 would be advisable.