

D is for Debt Free!

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Debt free. Can you even imagine it? I would dare say that when most people come in to inquire about filing for bankruptcy they aren't really thinking about the end result of being debt free, but are more focused on stopping the immediate pain of [debt collectors](#). But the end result of a successful bankruptcy is that you will have no debt with the following exceptions:

Debts that Don't Go Away

Home Loans

If you have a mortgage loan and are in bankruptcy and you want to keep your house you will need to continue paying for your house. Contrary to what some people believe, you don't get a free house by filing bankruptcy. If you want to keep it, you have to pay for it.

Car Loans

Same goes for your car. While there are ways we can reduce what you pay on your car, general rule is if you want to keep your car you need to continue to make the payment.

Tax Debt

Most taxes do not go away through bankruptcy. There are some exceptions. If the taxes are at least three years old and were not assessed at any time in the last 240 days they may go away in your bankruptcy case.

Child Support/Alimony

If you owe any type of child support or alimony this debt will also survive your bankruptcy.

Debts You Can Get Rid Of!

So what types of debt do go away? Here are the typical debts that people have that are completely eliminated in bankruptcy:

Credit Card Debt

This is by far the most common form of debt that is eliminated by a [Chapter 7 bankruptcy](#) filing. There is no repayment required. It is discharged. Gone. History.

Judgments

If you were sued, failed to respond, or even lost at trial and now have a judgment against you a bankruptcy filing will eliminate this debt completely.

Repossession Balances

If you had a [car repossessed](#) and now the bank is trying to collect the remaining balance from you, this can be eliminated through your bankruptcy filing.

Medical Bills

This is a big one. People who have gone through severe illness often have large amounts of [medical bills](#), even if they were insured. Medical bills are completely eliminated through a bankruptcy filing.

Cars and Houses You Don't Want Anymore

If you have a car or a house that you want to surrender back to the bank but are worried about being pursued for the balance, bankruptcy may be a good option. In a Chapter 7 bankruptcy you can surrender the car, RV, house, boat, etc. back to the bank and now owe anything going forward.

Debt free. It is possible. Even if you believe your situation is hopeless you can become debt free. I offer a free consultation where we can go over your specific situation. I can be reached at (480) 420-4028 or via email at john@skibalaw.com .

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