



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Do Not Make These Holiday Mistakes if Filing for Bankruptcy

If you are going to or thinking about filing for bankruptcy anytime next year, you must be careful of your spending during this holiday season. The holidays is traditionally the time we get into more debt due to credit spending but if a bankruptcy filing is on the cards for you, you must be aware of these holiday pitfalls. Here are the most prevalent holiday mistakes you need to avoid.

1. Do not transfer your assets

Some people filing for Chapter 7 bankruptcy try to reduce their assets by transferring them to their loved ones to minimize their losses. This is a fundamental mistake you should avoid. If you make any transfer of assets to any family member, the bankruptcy trustee would find out because he or she would trace all asset transfers done up to one year prior to your filing. And if the bankruptcy trustee finds out you have tried to game the system, he or she might dismiss your case.

Transferrable assets are not limited to physical properties but also include cash.

2. Not reserving money for bankruptcy expenses

You will need money for the bankruptcy filing process. And obviously you cannot pay for this expense on credit. So if you spend all your cash reserves this holiday, you will find yourself unable to meet the expenses of your bankruptcy filing and your entire process will be derailed.

So by all means buy gifts for your friends and loved ones but do not forget to reserve some money to cover your bankruptcy expenses.

<http://tampabankruptcy.pro/blog/>

3. Spending on credit without repaying

Go easy on the credit card spending especially before filing for bankruptcy. Once you file for bankruptcy, the bankruptcy trustee will review your credit card usage up to 3 months prior to your filing. Exorbitant spending without reasonable attempts at repayment will definitely raise a red flag to your trustee, who will question you about it. If you cannot justify your credit spending and repayment, your bankruptcy trustee may declare your expenditure 'non-dischargeable' which means that debt has to be repaid through the bankruptcy process of asset liquidation.

If you intend to file for bankruptcy or have questions regarding how bankruptcy can give you a fresh start financially, give us a call at (813) 200 4133 for a free consultation.