



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## How to Secure Post-bankruptcy Credit

After being discharged from bankruptcy, the primary problem most people face is obtaining credit. Unavoidably, your credit rating would have been adversely affected by your bankruptcy for between 7 to 10 years. So what would you do to obtain credit if you need it? One thing you must NOT do is approach a loan shark. Loan sharks offer loans at such exorbitant rates they should be considered illegal. This would only serve to put you into a debt you cannot afford to repay and may eventually lead you to another bankruptcy. So you would be doing yourself a great injustice if you take up a loan shark's offer.

So here are some better alternatives for post-bankruptcy credit.

### **Get a loan from a family member or close friend**

Someone you can trust is the safest option. But in these bad economic times, everyone is feeling the pinch so you should not take advantage of a family member's or friend's generosity and borrow more than you can comfortably repay. Neither should you borrow and not repay. If you have friends or family who are willing to help you financially, you should approach them as the first option.

### **Apply for a loan from a credit company**

Conventionally, banks would be the last institutions to lend you money once they know you are a discharged bankrupt. But smaller lending institutions such as credit companies or credit unions might be more lenient. So approach these companies instead, especially when you have been a loyal customer with any of them before you bankruptcy.

### **Apply for a debit card or collateral-based credit line**

A debit card can be used like a credit card but only up to the limit of the balance in your debit card account. It offers the convenience of cashless transactions without the stringent pre-approval process you have to go through to obtain a credit card. Alternatively, many banks offer some form of collateral-based credit like a personal loan against your savings account balance. Many banks offer such facilities with a minimum deposit of as low as \$500. If you successfully apply for such a credit, you can prove your credit-worthiness to the bank over time and eventually qualify for a full-fledged credit card.

If you are contemplating filing for bankruptcy, call us at (813) 200 4133 for a free consultation.