

Filing Personal Bankruptcy: What is the Process?

Once you've decided that filing personal bankruptcy is the right path toward financial freedom from your debts, you need to know: what is the process? How long does the process last? Do filers have to go to court? Who needs to be informed of the bankruptcy filing?

[The process](#) of filing bankruptcy requires that you complete a bankruptcy petition and disclose all of your debts and assets to the bankruptcy court. Before you file for bankruptcy with the court, you will be required to complete a pre-filing credit counseling course and your certificate of completion of that course must be filed with your bankruptcy petition.

After you've filed your petition with the bankruptcy court, you must attend a meeting of the creditors as required by 11 U.S.C. 341(a); otherwise known as a 341(a) hearing. This meeting takes place before your court appointed trustee. The trustee's job is to verify your identity by viewing your government issued identification card [usually a driver's license] and social security card; and the trustee will ask you some basic questions about your petition. You must also complete a financial management debtor education course in order to be considered for a discharge of your debts.

For [chapter 7](#) liquidation cases, the process usually lasts approximately six months with a mandatory meeting of the creditors before the trustees. Chapter 7 debtors will not see the bankruptcy judge, unless they need a [reaffirmation hearing](#). [Chapter 13](#) individual debt adjustment cases where a debtor repays a portion of their debts over time, requires considerably more time and expense. The process for a chapter 13 case lasts between three and five years depending upon the household income and the debtor's ability to repay their debts.

The fact that you've filed for bankruptcy will appear on your credit report for 10 years if you filed Chapter 7 or Chapter 11 and will appear on your credit report for 7 years if you filed Chapter 13. Bankruptcy may also affect your ability to lease rental property and find employment; and filing bankruptcy will impact your ability to file again in the future.

Experiencing extreme financial hardship has emotional costs as well. That's why it's best to talk to a [bankruptcy lawyer](#) so that you can make a well informed decision and lead your family to financial freedom from your debts with a trusted advisor who will inform you of all of your legal rights and remedies available through the bankruptcy process.

Published by Christine Wilton from the Los Angeles Bankruptcy Law Monitor