



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## Why You Should Not Avoid Bankruptcy

For many people, filing for bankruptcy is the last resort to resolve financial woes. But this should not be so.

Bankruptcy is a right of every citizen under the law. And believe it or not, under certain circumstances bankruptcy can be a more viable option than others. If you are weighed down under a mountain of debt, generally the only options open to you are to repay them outright, reduce your expenses and repay or file for bankruptcy. If you choose the first option, you will have to find the money to repay your debts. If your debts have piled up over the years, chances are your income has not been sufficient to sustain your financial obligations. If that be the case, you may resort to borrowing to repay your existing debts but that is obviously not the solution.

As for the second option, it can only work if you make some drastic changes to your lifestyle. If your spending habits continue to exacerbate your financial problems, there is no way you can find the money to repay your debts by yourself. For instance, if you tend to spend a lot on credit you need to reduce or stop doing so altogether. If you always resort to transferring one credit card balance to another as a means of paying, you need to stop doing so and pay off your credit card balances with cash.

It can be clearly seen that the first two options to clear your debts can be painstakingly slow. That is why you should not discount bankruptcy or keep it only as a last resort.

If you choose to file for bankruptcy, there are two types of bankruptcy filings open to you (you only choose one). Chapter 7 bankruptcy is also called liquidation bankruptcy. Under this type of bankruptcy, your non-exempt assets will be sold to repay your debts. Generally, your principal home and some other assets are exempted from liquidation. After all your non-exempt assets have been liquidated, whatever unsecured debts still outstanding are forgiven. This gives you the ability to start afresh financially.

The second type of bankruptcy open to individuals is Chapter 13 bankruptcy a.k.a. reorganization bankruptcy. Under this type of bankruptcy, you are subject to a payment plan to repay all your outstanding debts over a period that can stretch up to five years. Once your debts are paid off, you will be discharged from bankruptcy. So realistically, bankruptcy provides you with a viable way out of your debt problems in a matter of a few months to a maximum of 5 years. Imagine within a few months from now, you can enjoy a new lease of life financially without any more stress and harassment from creditors. If you wish to discuss bankruptcy, call us at (813) 200 4133 for a free consultation.

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