



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

December 30, 2011

Bankruptcy and Dealing with Debt

With the prolonged economic recession, many people are burdened with debt. As layoffs continue among big and small companies, people face an increased possibility of losing their jobs. Higher interest rates, salary cuts and job retrenchments exacerbate the debt problem. Filing for bankruptcy is usually the last resort in solving the debt crisis. But before taking that step, there may be other things you can do.

First, review all your expenses, not just the major fixed expenses like mortgage and lease payments but also the minor, incidental expenses like your morning cup of coffee, your massage sessions or pedicures. These may be small and irregular but when you add them up, they come up to quite a sizable amount of money.

Next do something about your credit card debts. The most obvious thing to do would be to spend less on credit and keep up with at least the minimum payments due each month. Also, most people have more than one card. Consider transferring part of your balance from the card with the higher interest rate to the other one with the lower interest rate.

Finally, do not hesitate to negotiate with your creditors for a lower interest rate or extended payment period, both of which would reduce your monthly expenses and ease your debt situation. Here's a tip – when you mention that you are likely to file for bankruptcy, some creditors may be more willing to reduce their interest rates or give you more favorable terms because they would want to avoid having their debt discharged in bankruptcy.

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

Now assuming you have taken every step you possibly could to alleviate as much of your debt problem and still find yourself mired in insurmountable debt then it is time to consider filing for bankruptcy. The question then is when you should do so. Every person's situation is different so it pays to consult a bankruptcy lawyer to decide when the best time would be.

For example, if you have charged a lot of expenses to your credit cards recently, it may not be a good time to file for bankruptcy just yet. This is because the bankruptcy trustee might decide that your recent credit card debts are exempt from discharge which means you have to pay them in full. The worst outcome is the bankruptcy trustee dismisses your case if you have racked up your credit card debts just so that they can be discharged by the bankruptcy. Likewise, if you expect your debts to pile up soon, it might not be the best time to file for bankruptcy.

You can discuss all this with an experienced bankruptcy lawyer who will help you save money and discharge as much of your debt as possible through bankruptcy. Call us at (813) 200 4133 for a free consultation on how bankruptcy can benefit you.