

## Do my wife and I need to file bankruptcy together?

I have lots of debt, my wife has a little. Do we need to file bankruptcy together?

You are allowed to file bankruptcy together, called filing jointly, but you can also file separately. Which method is best depends on your situation. I'll hit some highlights here about this important subject.

- The simplest case is where all debts are in the name of one spouse and the other has no debts. That can happen with married couples who keep their finances, including credit accounts, separate. In this situation it's generally best for only the debtor spouse to file, leaving the other spouse's credit intact.
- If the other spouse has a small amount of debt, it might also be better for the debtor spouse to file separately for the same reason as above.
- A couple filing together might not pass the Means Test (an income barrier to a Chapter 7 bankruptcy) and therefore would need to file a Chapter 13 payment-plan type of bankruptcy. In certain situations, one of those spouses filing separately could pass the Means Test and therefore be eligible for a Chapter 7 bankruptcy that discharges (gets rid of) debts quickly.
- A couple may need a Chapter 13 bankruptcy, for example to pay mortgage arrears over time or to keep things that would be lost to creditors in a Chapter 7 bankruptcy, but have more debt than allowed for a Chapter 13. A spouse filing separately might be under the debt limits for a Chapter 13.
- The other spouse may want to preserve the ability to file bankruptcy later rather than wait the necessary time period.

In summary, it's usually better for a married couple to file bankruptcy jointly, but in certain circumstances it may be better to file separately. You really need to consult with an experienced bankruptcy attorney in your area about your own situation.

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