

## Avoid these banks if filing bankruptcy!

Why avoid certain banks if filing bankruptcy? Because if you don't, you could lose a lot of money! Here's why and how...

### Avoid "Set Offs"

A set off occurs when a bank you owe money to takes that money from your deposit account at the same bank.

For example, if you owe money on a Chase Bank credit card or loan, then Chase takes that money from your Chase bank account after you file bankruptcy. They get to do that if your credit agreement allows them to do it, and most do provide for that. So rather than closely examine all the credit agreements you've signed, just don't have money at banks or credit unions where you also owe money. Of course remember to change any direct-deposit arrangements you have to the new bank.

### Stop Automatic Withdrawals

If you're paying on credit accounts using automatic withdrawals from your bank account, stop those before filing bankruptcy. The creditor is supposed to stop those after you file bankruptcy, but it may take a while or they just might not stop it anyway. Rather than needing to fight them later, stop the automatic withdrawals first.

### Avoid "Freezes" of Your Bank Accounts

Some banks put a freeze on bank accounts of people who file bankruptcy, and don't remove the freeze until later when the bankruptcy trustee tells them it's OK to remove the freeze. The reasons they do this are unclear, but it's clearly a problem if you need to have access to your money after filing bankruptcy. Banks that are known to do this are: Wells Fargo, Wachovia, and Union Bank. So move your money from these banks before you file bankruptcy.

**Be careful! Don't have money where you owe money.**



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