

Bankruptcy May Be Your First and Best Option

People often believe that filing bankruptcy is so bad that you should do it only as a last resort, but for many people nothing could be further from the truth. Why do I say that?



- Bankruptcy discharges (gets rid of) your debts at a cost that's much less than "settling" your debts, even if settling is possible (which it often is not).
- Bankruptcy may help your credit scores. Most people who contact me are already behind on their credit payments and their credit scores are already low. "Within a year, you're way better off," says Jaromir Nosal, assistant professor of economics at Boston College, who co-authored a study for the Federal Reserve Bank of New York about the effects of bankruptcy. He said "It's a pretty rapid rate of recovery."
- Researchers at the Federal Reserve Bank of Philadelphia found, using Equifax credit scores, that for people who filed a Chapter 7 bankruptcy (the one that gets rid of your debts quickly) their average credit score went from 532 to 620 within six months.
- Bankruptcy stops collection calls, lawsuits, and wage garnishments from the date the bankruptcy case is filed. No other option comes close to doing that.
- Delaying filing bankruptcy often means that you'll "go through" money, including retirement accounts, that you would have been able to keep in a bankruptcy if you had filed earlier while you still had those assets..

So if you're in a financial position to even think about bankruptcy, do yourself a favor and contact an experienced bankruptcy attorney in your area sooner rather than later.

Ready to file bankruptcy? That's good news, not bad.

People Fare Better After Filing Bankruptcy

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