

Vacation on your credit cards before filing bankruptcy? Why not?

Why not take a nice vacation on your credit cards right before filing bankruptcy? After all, those debts will go away so why not use up that unused credit and have some fun?

Why not? Because the creators of the bankruptcy code already thought of that. The bankruptcy code says that if you charge more than \$650 for "luxury goods or services" (that includes vacations) to one creditor within 90 days before you file bankruptcy, that debt is presumed to be fraudulent, meaning that you had no intention to pay.



That creditor can sue you in bankruptcy court (called an Adversary Proceeding) to get the judge to say that those debts should not be discharged.

That's the short version. If you've already done this and intend to file bankruptcy soon, discuss it with your bankruptcy attorney. **If you haven't done it, just plain don't** and save yourself a lot of trouble and possibly a lot of money.

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