

## Wait until you're sued to file bankruptcy, or file earlier?

Many people wait until they're sued by a creditor to file bankruptcy. **After all, filing bankruptcy stops all creditor actions against you, including lawsuits. But if your financial life is "going South", should you wait that long to file bankruptcy?**

**Notice that if you wait until you're sued to file bankruptcy, you've given the power to decide when to file bankruptcy over to the creditor that sues you.** If it would have been better for you to file bankruptcy earlier, you've let that opportunity pass by and instead let the creditor decide for you.

**Why might it be better for you to file bankruptcy earlier?** Here are two major possibilities.

- **You might have missed your "window of opportunity" for bankruptcy.** You might be making too much money to do a Chapter 7 bankruptcy (the one that gets rid of your debts quickly), but were making less before so it would have been OK then.
- **You might have "gone through" money that you could have kept during your bankruptcy.** If so, by filing earlier you would have had more money after your bankruptcy for your Fresh Start.

**The real problem is considering bankruptcy to be a last resort**, which is why many people wait until creditors sue them to file bankruptcy. When you consider bankruptcy to be a last resort, you miss the opportunity to make bankruptcy work best for you.

**The moral to this story is to consult with an experienced bankruptcy attorney sooner rather than later when you have serious financial problems.** That way you can see what action would be best and when it would be best to take that action. **Don't give the power of choice away to your creditors!**

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