

# How Does Bankruptcy Work?

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Over the years, Bankruptcy has been considered easy to file for. Recently, creditors have made it harder for people to file for it because the laws are now in favor of the creditor.

Bankruptcy should not be taken lightly. In fact, too many people take it lightly and just trust what their attorney tells them. The truth is that attorneys may not always tell a client everything there is to know simply because it's too much information for a layman to understand. That is a common issue along with homeowners or consumers not understanding the explanation if one is given.

First, you need to be able to define the different what bankruptcy means and what the different types are.

Bankruptcy is a legal term and it basically states that an individual is unable to pay off their debts and is handing the matter over to the court system so that they are able to take over the individual's finances for this purpose. When an individual files for bankruptcy, there is usually an appointed court trustee who will evaluate the claim and ultimately be the decision maker on how much of your income will go to repay these debts and whether or not they will be garnished out of your paycheck.

You will only be able to start rebuilding your credit after the debt has been repaid. Only then will the bankruptcy be discharged off of your credit. What are the different types of bankruptcy?

In the United States, bankruptcy can not only be applied to an individual but also to a business. There are 3 main types of bankruptcy which are commonly called Chapter 7, Chapter 11 and Chapter 13. They are all a little different due to specific codes which, is why if you or someone you know may be looking to file, they should consult a professional.

How long after filing for bankruptcy does an individual feel the effects of it? From the beginning, your credit will be exceedingly limited. There are very few options for people who file for bankruptcy. Even after the bankruptcy is discharged, most lenders and creditors are very hesitant to extend any kind of credit. It may take as much as 2 years to find one's self in a position where they have a little more options and even then, options are not abundant.

Be aware of credit offers as most of them have extremely high percentage rates and the option to miss or make any late payments is non-existent. As with negative reports on your credit, the bankruptcy does eventually become extinguished from your credit report.

I talk to people everyday who are in a rut for one reason or another. Some people can't help the situation they are in and others were just naive. Either way, everyone deserves a chance to put their life back on track.

Bryanna Bredius has been in the real estate industry for the last 12 years. Having seen both sides of the "5 year swing", she has since become an entrepreneur who has built and continues to build an empire for those who are interested in doing what it takes to succeed and help people along the way. For more from Bryanna visit <http://www.beforeclosurefree.info> or <http://www.150kperyear.com>

Before you or someone you know files for bankruptcy please explore all of your options by visiting <http://www.beforeclosurefree.com> or dial Bryanna Bredius direct for more information at 248-635-6020.