



THINGS TO CONSIDER BEFORE FILING BANKRUPTCY

Submitted by Land of Lincoln Credit Union

Bankruptcy...the very word evokes strong feelings in most. The decision to file should be made only when fully aware of all consequences. Here are some facts to consider about filing bankruptcy:

Filing bankruptcy can be expensive. Court costs and attorney's fees add up and are non-dischargeable.

You may lose property. If your assets are worth more than state and federal exemption guidelines, they can be liquidated, and the proceeds divided up among your creditors.

It doesn't solve spending problems. Bankruptcy fixes the issue, not the cause. It won't be much use if you return to poor spending habits after. Seek counseling to break the pattern.

Not everything can be discharged. You can only walk away from such unsecured debts as credit cards and signature loans. If a good portion of what you owe consists of student loans, tax debt, legal fees, or back child support, bankruptcy won't help.

Bankruptcy will stay on your credit report for ten years. The damage to your credit report can possibly prevent you from renting an apartment, buying a home or car, or even acquiring life insurance.



KEY TAKEAWAYS

- ◆ FILING BANKRUPTCY CAN GET EXPENSIVE
- ◆ YOU MIGHT LOSE PROPERTY
- ◆ YOU STILL MIGHT HAVE SPENDING PROBLEMS
- ◆ NOT ALL CAN BE DISCHARGED
- ◆ IT REMAINS ON YOUR CREDIT REPORT FOR TEN YEARS

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