



What Are Your Options for Getting Out of Debt?

Option 1 - File Bankruptcy

There are two main options offered by the U.S. Bankruptcy code. For some, filing chapter 7 bankruptcy offers the opportunity to discharge unsecured debts. For others, filing chapter 13 bankruptcy offers the chance to repay secured debts like their mortgage over time. In order to make the best decision for your situation and financial future, you need to educate yourself about all your options for filing bankruptcy.

A bankruptcy may remain on your credit record for 7-10 years and may seriously affect your ability to rebuild your credit. Even after a bankruptcy has been removed from your record you may still be required to disclose it on forms and applications, even applications for employment. This is not a decision to be taken lightly. Only a licensed attorney can properly advise you on bankruptcy and whether it is right for you. We can give you some limited, general information, but you should always discuss this option with your attorney.

Option 2 - Do Nothing

While doing nothing is an option, it is not a practical one.

However, a significant number of consumers do just that, which only complicates your particular financial situation.

Option 3 – Credit Counseling or Debt Management

With Credit Counseling or Debt Management you make a single monthly payment to a credit counseling agency. A debt management program will help you get out debt by lowering your monthly payments and your interest rates so you can pay off your unsecured credit card and consumer debt balances within a reasonable amount of time.

Debt management programs are NOT like debt settlements. You are not putting your money into a trust account and you are not asked to stop making payments. With a debt management program you will be paying your creditors with an affordable monthly payment until your balances are paid in full. Debt management programs are quickly becoming an industry standard and will soon be recommended first before a person looks into bankruptcy.

Option 4 – Debt Settlement

Debt Settlement is an alternative approach for consumers dealing with the difficulties of too much debt and may serve as an option for those considering bankruptcy.

Debt Settlement companies negotiate with your creditors, on your behalf, in an effort to settle your unsecured debt for a specified amount. Their highly skilled program advisors have successfully negotiated unsecured debts down by as much as 40-60% of the current amount owed. Debt can be eliminated in as little as 36 months or less. Please read and understand all important program disclosures before enrolling in any Debt Settlement Program. The downside is there are currently no government regulations for this industry.