

# SPECIAL REPORT

## **Bankruptcy:** *What They Never Told You*

You're about to discover the little-known strategies that can save you from needless heartaches and protect your future

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Not everything you've heard about bankruptcy is true. In fact, there are a number of myths about bankruptcy floating around. And if you buy into these myths, you may never take action to get yourself out of a difficult situation - one that seems to be escalating.

Your financial situation is likely taking a toll on you:

You may feel trapped and need to talk to someone you can trust.

You may feel anxious and need to find answers from someone who knows the facts about what you can and can't do.

You may feel tired and need some hope to keep you going.

We are here to help you get clear about your options.

Let's take a look at 10 common myths of filing for bankruptcy protection.

### **Myth #1: It's hard to file bankruptcy because of the new laws that have been passed.**

Yes, the bankruptcy laws have changed to remove the abuses that were sometimes done in the system. But for the person seeking relief bankruptcy is easy to file when you meet the legal criteria to do so. In fact, more than a million bankruptcies are being filed every year in the United States.

### **Myth #2: You will lose important assets like your house and your car if you file bankruptcy.**

Bankruptcy can help you keep your house and your car. In fact, bankruptcy can stop foreclosure, prevent a bank from repossessing vehicles and even get your car back if it has been repossessed.

Over 3,000 bankruptcies are filed in America every single day.

The three biggest causes of bankruptcy are: medical bills, job loss, and divorce. While job loss is a contributor, you should know that you don't have to be unemployed to file bankruptcy.

And on the other hand, having a good or even a *great* job doesn't prevent you from filing either!

### **Myth #3: You can't file for bankruptcy if you have a job (especially a good job).**

People who are unemployed, employed, self-employed and even "rich" file bankruptcy every day. What matters is your ability to meet your financial obligations (i.e., debt payments) or not.

### **Myth #4: You should try credit counseling before even considering filing bankruptcy.**

Credit counselors work to help credit card companies collect their money from you. They are not your friends and they are not on your side.

Credit counselors may be very nice people, but you should know that they are being paid by your creditors to help collect money from you. While they can submit proposals to your creditors, they have ZERO ability to force a creditor to accept their proposal.

In fact, the IRS has disqualified several credit counseling organizations because they turned out to be cleverly disguised collection agencies who were working for the credit card companies.

But here's the good news...

A qualified bankruptcy firm can submit a proposal that allows you to walk away from your debt...and they have methods for compelling credit card companies to accept the proposal submitted. Get help from someone who truly has your best

interests in mind...someone who is working for YOU.

## **Myth: #5: You can't file bankruptcy more than once.**

If you've filed bankruptcy before and you're finding yourself in that same position again, don't despair. Bankruptcy often happens more than once because the main causes of bankruptcy—divorce, health bills and job loss—happen over and over again, too.

Take a look at these statistics:

- More than 50% of marriages end in divorce
- Unemployment has doubled
- Millions of people have lost their jobs in the last few years
- Medical bills are a leading cause of financial stress and millions of Americans are still without medical coverage

Don't worry if you are finding yourself back in the same situation again.

You must meet specific criteria in order to file a second bankruptcy. If you meet the criteria, you are eligible to file again. The best way to find out is to call us and let us look over your situation and give you the advice you need to make a great decision.

## **Myth: #6: Filing bankruptcy will ruin your credit. You'll never be able to buy a house or car again.**

This is the one that most people have been led to believe. It is just not true!

You will be able to buy a house and/or car again. Your credit scores are often better when you rebuild it after a bankruptcy than they are if you continue to be behind in payments over a period of years.

Two years after filing bankruptcy, you can qualify for a normal home loan with competitive interest rates if you keep your credit clean and have the income to

support the payments.

## **Myth #7: You can't file bankruptcy if you make good money.**

While you must meet certain criteria in order to qualify for a Chapter 7 or Chapter 13 bankruptcy, none of those criteria specify how much money you can or cannot make.

It all comes down to how much debt you have and your ability to repay.

In other words, what matters is your ability to meet your financial obligations (i.e., debt payments) or not.

## **Myth 8: You can figure it out yourself**

You got yourself into this mess. Shouldn't you be the one to get yourself out it?

In most cases being a "responsible" person is a good thing. But when it comes to bankruptcy, this approach can honestly cause you more trouble than you deserve.

If this is how you're feeling, you're making your creditors VERY happy.

Working with creditors is harder than you think. (Those calls you receive every day are just the tip of the iceberg when it comes to how unpleasant working with them can really be.)

Most of our clients have tried repeatedly to work out settlement offers with their creditors...with little success.

The fact of the matter is that your creditors *want you to stay in debt to them!* They want to collect interest. They want fees to pile up. And as we mentioned in Myth #4, your creditors are NOT your friends.

Plus, nobody bothers to mention the tax ramifications of settling your debts. Whatever debt your creditors do forgive can actually be considered taxable income to you! If you're struggling to pay your taxes now, settling with your creditors can actually make that problem worse.

Sometimes being "responsible" means asking someone for help.

## **Myth 9: There's no difference between Chapter 7 and Chapter 13**

There are two types of bankruptcy available for most consumers. Each one takes a different approach to solving your financial problems.

Chapter 7 is commonly referred to as a "liquidation bankruptcy." **But this doesn't mean you have to sell all your assets.** In fact, we are very successful in helping a large percentage of our clients keep the majority of their assets.

In Chapter 13, you and your attorney work with your creditors to **create a plan to reduce your overall debt** and then set up an affordable payment structure over a 3 to 5-year period.

Don't get caught up on the differences between the 2 forms of bankruptcy. The only true way to determine which way is right for you involves speaking to a qualified bankruptcy attorney who can look over your situation and give you unbiased advice.

## **Myth 10: I can file all by myself**

Technically, this is true. However, there are many detailed articles about how the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 made it ***almost impossible for an ordinary person, without legal training, to properly complete and file the necessary paperwork*** for bankruptcy.

One miscalculation, one form that isn't filled out properly, or missing a single deadline can send all your do-it-yourself efforts spiraling downward toward failure.

One mistake can cost you your house or car. It can even allow a judge to deny your bankruptcy!

This is the one area you don't want to try and do it by yourself. Trust me, I have seen the horror stories first hand and I wouldn't want anyone to go through that.

## **Final Thoughts**

Thank you for taking the time to read this special report. It was my intention in providing you good information that you can use to make a more informed decision.

There is no way that I could answer every question or cover every situation in this special report. The best way for you to get the most accurate information concerning your unique situation is to make an appointment today with my office.

You are under no obligation during this appointment and we can talk about your unique situation and help you determine the next step together.

Give my office a call today at (443) 438-1966.

Remove the stress, worry and doubt and speak to us today. You will be glad you did.