

# I need a 2<sup>nd</sup> chance!



## Can Bankruptcy Laws help me?

**M**any people don't know this, but a Bankruptcy may be the quickest way to reorganize and even eliminate one's debts, in order to get a fresh start and second chance to reestablish their credit. In a Chapter 7 Bankruptcy, virtually all unsecured debts can be discharged, with the exception of student loans, domestic support obligations, and some taxes. Once you receive a discharge, you will no longer owe those creditors money, and new creditors will be very willing to extend credit. You will begin receiving new credit cards within a matter of weeks. These new credit cards are a stepping stone to a bright new future. If they are used responsibly, meaning that they are not maxed out and they are used and paid on time every month, then this will be reflected in your credit report. With each month of on time payments, your credit score will increase, thus giving you the opportunity to grow.



## Debts

As your credit score and credit history begin to look better, other creditors will also be willing to extend credit. There is a common misunderstanding that a bankruptcy will ruin your credit for life. But nothing can be further from the truth. It is actually the quickest way to start over and rebuild your credit. Our clients have been approved major credit cards within months of filing a bankruptcy, and for new car loans within one year of filing bankruptcy. They have also been approved for home loans within two years of filing bankruptcy!

Different types of bankruptcies can provide a person with different results depending on their situation. A person may not just have credit card debt, medical bills, or loans they need to eliminate, but may have a mortgage or car loan that they are behind on, and want to get caught up. A person may also owe taxes that they cannot just discharge in a Chapter 7. Or a person may have too much income or too many assets to qualify for a Chapter 7 bankruptcy. In these situations, that person can file a Chapter 13 bankruptcy to "Reorganize" on their debts. This means they can set up an affordable monthly payment plan to get "caught up" on their major debts like the mortgage, car, and/or taxes, while significantly reducing or even eliminating minor debts like credit cards, medical bills, or personal loans. A Chapter 13 bankruptcy will essentially "cut the fat" to allow a person to only pay for the important things, while keeping all their assets and income.

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