

As unemployment rate rises in Michigan, some question second bankruptcy.

Written by Australian Business

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Article provided by Bankruptcy Centers of Michigan Visit us at <http://www.bankruptcycentersofmichigan.com>

The Michigan Department of Technology, Management & Budget recently released data on unemployment in the state. According to the Department, the unemployment rate increased from 8.5 percent in May of 2013, to 8.7 percent in June of 2013. This translates to an increase of over 13,000 unemployed workers in Michigan. The trend continued through July, with an increase ranging from 0.1 to 1.1 percentage points in regions throughout the state.

Difficulty finding steady employment may lead to financial difficulties, causing some Michiganders to question when it is okay to file for bankruptcy a second time.

Second bankruptcy: The basics.

Those who already received relief from a Chapter 7 bankruptcy petition in the past may be eligible to receive additional assistance. This type of bankruptcy is designed to offer protection from creditors and relief from debts. Individuals are allowed to file for Chapter 7 bankruptcy once every eight years. The benefits of this form of bankruptcy include:-Issuance of an automatic stay. This court order requires collection agencies to cease contacting you. Generally, wage garnishments and lawsuits initiated by creditors are also put on hold.-Debts discharged. Essentially, debts that cannot be paid by the applicant are discharged. When this happens, the applicant is no longer responsible for the debt.-Opportunity to proactively rebuild credit. After the bankruptcy process is completed, the applicant can rebuild his or her credit. This can be done by paying all bills in full and on time, every month.

If fewer than eight years has passed, an applicant may still be able to receive relief through a Chapter 13 petition. A Chapter 13 bankruptcy petition may be accepted as soon as four years after the filing date of a Chapter 7 petition.

This type of petition also issues an automatic stay, but instead of focusing on discharging debts a repayment plan is developed. The plan generally pays certain debts, considered priority

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debts, first. These debts can include taxes and child support payments. Any secured debts, such as a mortgage for a home or car payment, are also included. Finally, the payment also takes unsecured debts into consideration.

Although there are benefits to seeking relief through bankruptcy, it is important to keep in mind that bankruptcy will have a negative impact on your credit. Contact an experienced Michigan bankruptcy lawyer to discuss your situation, weigh the risks and benefits of a bankruptcy petition and help you to make an informed decision about bankruptcy to better increase your odds of a strong financial future.