

Can I file for bankruptcy again? In many cases, yes

Written by Australian Business

September 24, 2013 /**24-7PressRelease**/ -- Can I file for bankruptcy again? In many cases, yes

Article provided by Robinson Law Offices, PLLC Visit us at <http://www.debtfreeky.com>

Oftentimes, people who file for bankruptcy are able to obtain relief from unmanageable debt and improve their financial circumstances relatively quickly. In some cases, however, unexpected events like job loss or a sudden illness can interfere with a person's plans to get back on their feet again after bankruptcy, and some may find themselves wondering about the possibility of filing for bankruptcy a second time.

Chapter 7 bankruptcy

The frequency with which a person may file for bankruptcy depends in part on the type of bankruptcy involved. The most common type of consumer bankruptcy is known as Chapter 7, or liquidation. During this type of bankruptcy, some or all of a person's unsecured debts -- such as credit card balances and medical bills -- may be discharged, which means that the borrower no longer has a legal obligation to pay them back.

When a person files for Chapter 7 bankruptcy, he or she may be required to give up certain assets. However, because many types of property are exempt from liquidation, people are often able to file for Chapter 7 bankruptcy and still keep most or all of their assets.

Generally, a person may file for Chapter 7 bankruptcy only once every eight years. However, for those who are not yet eligible to file for Chapter 7 bankruptcy a second time, it may be still be possible to file for bankruptcy again under Chapter 13.

Chapter 13 bankruptcy

Chapter 13 bankruptcy, which is sometimes called debt reorganization, is different from Chapter 7 in a number of important ways. When a person goes through Chapter 13 bankruptcy, his or her debts are not discharged immediately as they may be in Chapter 7. Instead, when filing for

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Chapter 13 bankruptcy, the borrower must follow a court-approved plan to repay some or all of the debts that he or she owes.

The payments in a Chapter 13 plan are calculated according to the individual's income and debt load, and typically continue for a period of three or five years. After successfully completing the payment plan, some or all of the borrower's remaining unsecured debt may be discharged. A person typically may not file for Chapter 13 bankruptcy again for at least two years after completing a Chapter 13 repayment plan.

Talk to a lawyer for more information

If you have filed for bankruptcy in the past and are having difficulty keeping up with your financial obligations, it may be helpful to talk with an attorney about your options. An experienced bankruptcy lawyer can help you determine whether you are eligible to file for bankruptcy a second time and will help you pursue the best course of action for your unique circumstances.