

WORKSHEET: If You Are Considering Bankruptcy

If you are thinking about bankruptcy, you need to take a careful look at your current situation and decide what path makes the most sense for you. Bankruptcy can be avoided in many instances, but it will require care and discipline. Use this worksheet to help assess your current situation. You can add your notes in the space provided. Take this sheet with you when you visit your attorney to see if he or she can help you with other alternatives or make your bankruptcy easier. Be sure to take any documentation you mention here with you as well.

1. Do you have loans that are “secured” with your property? Y/ N

Examples of secured loans are your mortgage and your car loan. You will need to pay your secured debts after filing bankruptcy in order to keep the property.

2. Do you have debts that are exceptions to discharge? Y/ N

Examples of debts that are not dischargeable are student loans and child support obligations. Creditors holding those debts will be able to collect them after bankruptcy.

Note: Some debts that are not dischargeable in a Chapter 7 bankruptcy may be dischargeable in a Chapter 13 bankruptcy. An experienced bankruptcy practitioner can help you determine whether certain debts will be discharged in a Chapter 13 case.

3. Are you past due on your mortgage or car payments? Y/ N

You may be able to “cure” the defaults (make up the past due payments over time) in a Chapter 13 bankruptcy.

4. Do you have a pretty good income, even though you can't make all of your monthly payments? Y/ N

If you file a Chapter 7 bankruptcy, the United States Trustee may move to dismiss your case for “substantial abuse” if he or she thinks that you are able to pay at least some of your debts. A Chapter 13 bankruptcy may be a good alternative for you because it will allow you to make stable, orderly payments to your creditors over time.

5. Do you anticipate incurring additional debt in the near future? Y/ N

If so, you may want to delay filing bankruptcy until a later date.

6. Have you received a discharge in a Chapter 7 bankruptcy within the last six years? Y/ N

If so, you will not be able to receive another discharge in a Chapter 7 case.

7. Are some of your debts “cosigned” or guaranteed by others? Y/N

If so, a Chapter 7 bankruptcy will not do anything to protect the cosignor. The creditor will be able to collect the debt from the person who cosigned or guaranteed the debt. However, you may be able to protect a cosignor by filing a Chapter 13 bankruptcy.

8. Do you have any debts to family members or close friends? Y/N

You must list those debts on your bankruptcy schedules because all of your debts must be listed. However, nothing will stop you from voluntarily paying those debts after bankruptcy if you choose to do so.

Remember! If you fail to list a debt on your bankruptcy schedules, it will not be discharged in the bankruptcy.