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Fiction About Bankruptcy and Its Consequences by [Rob Nichols](#)

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In the tough economy, homeowners constantly worry about making payments on their house, and the threat of the bank foreclosing on a home constantly looms overhead, especially when folks start to lose a bit of their income. For most Americans, if the bank were to foreclose on their home, it would be seizing their single most valuable piece of property and severely harming their prosperity. The word "bankruptcy" even has a negative connotation, but some individuals misinterpret the way the process works and even the severity of the consequences. Individuals contemplating filing may want to sort out the facts before they get scared into believing that bankruptcy is some terrible method of eliminating debt.

Facts Vs. Fiction

One false concept is that when filing for bankruptcy, both spouses must file in order to eliminate their debt, but really, only the individual with the most debt must file. It is completely false that couples must file together, and it is often more advantageous if only the person with debt petitions for bankruptcy to minimize the amount of debt that's causing credit headaches. Finalizing the paperwork and employing a lawyer to file and counsel you on decisions for bankruptcy takes about six months or less, but people believe the process takes much longer. The processing time is the same, no matter if you contract with a Norwalk or a bankruptcy attorney in Woodland Hills to help you complete the claim.

If someone follows the set plan laid out by the courts and continues to exercise responsibility with his finances, he can easily fix his credit score in under ten years, but a normal misconception is that anyone who files can never straighten out his score. Yes, a bankruptcy blemish will show up on your credit history for up to ten years, but that does not mean that you cannot still straighten out your score by making all your required payments and managing your money correctly.

General Differences Between Chapter 7 and 13

A person who decides to file for bankruptcy will do so under either Chapter 7 or 13 depending on the kind of situation he is in. Individuals who have meager assets may want to file for Chapter 7, but someone with a steady income will be encouraged to file for Chapter 13 instead. Of course, any and all questions you may have in regards to bankruptcy can be resolved by any lawyer, from a Norwalk to a bankruptcy attorney in Thousand Oaks.

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