What is Bankruptcy Counseling?

by William Hauselberg

Article published on March 6th 2012 | Finance

Individuals suffocating under the weight of crushing debt often believe filing for bankruptcy is their only option. The decision to file for bankruptcy is not one to be taken lightly, and it is one of the most serious â€“ and most frightening â€“ financial situations someone may ever have to face.

Because of the consequences associated with filing for bankruptcy, bankruptcy counseling is not simply a recommendation of professionals; it is actually required by law. The government requires proof of bankruptcy education, so individuals who are considering filing should participate in bankruptcy credit counseling for a bankruptcy certificate through an accredited, approved credit counseling agency.

If you are considering bankruptcy counseling, it is important to remember that bankruptcy counselors are not able to offer legal advice. They do, however, provide education on the most current bankruptcy laws, alternatives to filing for bankruptcy and even a personalized budget management plan.

What to Expect from Bankruptcy Counseling

During a typical counseling session, a trained, professional credit counselor will assess your financial situation using information such as your net income, expenses and spending habits, and your current credit score information. In order to do so, you will want to come to your counseling session with certain information in hand, including pay stubs, bills, and credit card statements. The more information you are able to provide your counselor, the better he or she will be able to analyze your situation to give you the best possible options and alternatives to bankruptcy. For some consumers, a personalized budget management program may be all that is needed in order to avoid bankruptcy. For others, consolidating bills through a debt management program might be the best option. There are, however, cases where bankruptcy is the final, and only, option.

In addition to bankruptcy education and exploring all possible alternatives, your credit counselor will also provide education on how to balance your monthly expenses against your income so that you are no longer spending more than you make.

A bankruptcy counseling session typically runs anywhere from 60 to 90 minutes, and can be completed either in person, over the phone or even online. Upon successful completion of a bankruptcy counseling session, you will be issued a bankruptcy counseling certificate, a full budget analysis, and a copy of your personalized financial action plan.

Look for a non-profit credit counseling agency approved by the Executive Office of the United States Trustees that will provide the best bankruptcy education and give you the tools you need to develop a solid financial plan for your future.

Article Source:
http://www.articleside.com/finance-articles/what-is-bankruptcy-counseling.htm - Article Side

William Hauselberg - About Author:
The author has an immense knowledge on a credit counseling for a bankruptcy certificate. Know more about a credit score information related info in his website.

Article Keywords:
bankruptcy counseling, online bankruptcy counseling, bankruptcy certificate, pre-filing bankruptcy, pre filing bankruptcy, prefiling bankruptcy

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!