

But I Don't WANT to File Bankruptcy! by Peter Orville, Attorney at Law on January 23, 2010

Nobody really wants to file bankruptcy. I know there is a myth out there that there are many people who see bankruptcy as an easy way out of their financial problems. Like most myths, it is not true. The truth is that most people do everything they can NOT to file bankruptcy.

Most people do one or more of the following before they even consider filing for bankruptcy:

- borrow money from friends or relatives to try to keep ahead of the bill collectors
- borrow from their 401(k) or retirement
- cash in their life insurance
- take out a home equity loan
- contract with a “debt adjustment” company who promise to save them thousands of dollars and work things out with their creditors so they don't have to file bankruptcy.

All of these actions can be big mistakes. They almost never take care of the problem, and usually make the situation much worse. Relationships get ruined, protected assets get depleted, credit scores get destroyed, and huge amounts of money get paid out unnecessarily.

As soon as you feel you might be getting into trouble with your ability to pay all of your bills, you should seek information and advice from an experienced, understanding bankruptcy attorney. It will save you lots of money and allow you to preserve your peace of mind.