

Published based on [Your Options Before Filing For Bankruptcy](#)

Your Options Before Filing For Bankruptcy

Majority of people get into debt at one time in their life or another. This happens mainly when one misses a payment on their credit card or any other monthly payment agreement. Once a payment is missed it can be difficult to find the funds to pay a past due balance as well as what is owed for that month. Many people have even gotten so behind on their debt that filing for bankruptcy is necessary.

There are two types of bankruptcy that people usually file for. The first one is Chapter 7 Bankruptcy. When you file for Chapter 7 a majority of your property that is not exempt gets sold to pay off your debt. While individuals and business can file for this, not everyone qualifies for Chapter 7.

The second type of bankruptcy is Chapter 13. When filing this, you agree to pay off your debt in two to five years with a reasonable amount per month. You have to prove that you have reliable source that will permit you to pay off your debt within the allotted time.

There are other bankruptcy alternatives that you can choose from. One of these options is consolidation of your credit cards. You would need to transfer all your credit card debt into one single credit card or obtain a loan that pays off your credit cards. You would then pay one single monthly payment instead of many different ones. You of course would have to be strict about your paid credit cards. You do not want to have a balance on those again.

Another alternative is debt reduction or debt settlement. With this method you pay your creditor a lower amount than what you owe. This does have a negative impact on your credit but can be an option when you cannot pay off your debt. Some companies usually offer this after you have gone several months without payment.

You can also contact a credit negotiator who can complete a creditor negotiation for you. There are some restrictions such as you have to have a certain amount of debt and a certain limit on each balance. The credit negotiator will work with your creditors so that you can settle the debt for a less amount than what you owe.

You can also gather all your monthly expenses and decide what things you can cut out yourself. Some of these things that you can do without such as going out to eat, monthly subscriptions and memberships. You should do away with these for a while and set a strict monthly allowance for yourself. This can allow you to use this extra spending into paying off your debt.

These are just some bankruptcy alternatives that you can do before you file [bankruptcy Toronto](#) or file [bankruptcy Durham region](#). Once you miss a payment it can be difficult to catch up. Most of these options will cause a negative impact on your credit but missing so many payments has already done that.

If you have been searching far and wide for [bankruptcy Scarborough](#) alternatives as well as [bankruptcy Brampton](#) alternatives that fit your particular lifestyle and situation, then a visit to KillenLandau & Associates is a must.