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Are You Thinking Of Bankruptcy

Declaring bankruptcy is one of the ways a person can deal with his debt. But it is not the only way. Filing will have many long term consequences as well. The filing will stay on a person's credit report for seven and sometimes up to ten years.

Further, because of recent legal changes to filing requirements, some people will not be approved for insolvency. The filing must be approved by the judge who will have the debtor's financial situation closely examined. If it is decided that the has the financial means to pay back his debts, the request for insolvency will be turned down.

Those who are searching for a fast way to eliminate their debt, could be surprised to find that their filing has been denied. There are some benefits of course for those who are approved. There will be no more debt to deal with. This could mean an end to harassing calls from the creditor.

For those who declare insolvency, they will be able to get credit or be approved for a loan, contrary to what many believe. But they will have a difficult time finding a lender to extend credit and when they do find one, they will have to pay a much higher interest rate. In fact, there are many lenders who like to lend in these cases because they can charge a higher rate of interest.

There are other alternatives to declaring insolvency. Most looking for relief, are in debt because of large credit card balances. For these people, they might consider having a credit negotiator work with the creditor on their behalf. If a debtor has more than ten thousand dollars on a credit card, he might be able to come to terms with the creditor on a lower balance and thus a lower monthly payment.

Lenders will sell to collection agencies unpaid loans for ten to twenty cents on the dollar. This can be a loss of up to ninety percent for the credit card company. A negotiator might be able to get the credit card company to accept half of the amount owed; explaining that if the creditor has to sell the loan to a collection agency they the card company would get a lot less than fifty percent of the balance which is what the debtor is offering.

The credit negotiator can use, as a bargaining tool, the fact that the debtor is close to filing for insolvency. If this happens, then the creditor is likely to receive no money. Of course the creditors hear this a lot, but if this is true, then they should know that it is a possibility.

Filings for bankruptcy for example file [bankruptcy Toronto](#) or file [bankruptcy Durham region](#) are on the rise because of the bad economy. Many people have lost their job. Many cannot pay back loans or pay the balances on their credit cards. This is why more creditors are willing to negotiate a settlement. The creditors will rather take a percentage of what they are owed rather than get nothing at all.

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.