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# **Paying Back Money Through Bankruptcy And Otherwise**

It is too often that people with minor debt problems file for bankruptcy. This is often a result of believing that it cannot be paid, or being advised by friends or family that a sort of bankruptcy is the right option for them. The simple truth is the person needs to determine if it is a good idea themselves, since deciding on the wrong chapter can cause further issues that take years to recover from.

An individual has the choice of two different types of bankruptcies to file dependent on their situation. Chapter 7 is for individuals that do not have a lot of property, particularly when a house has not been purchased. This method enables debts to be completely eliminated in a small period of time, and prevents debt collectors from calling or harassing the filer through the mail. Chapter 7 bankruptcy is created for people that do not have extra money to use to pay back the debt.

People that own lots of property usually file Chapter 13 bankruptcy. Most of the time, large assets can be kept through this process, but there are circumstances when some things might need to be returned. Ordinarily a payment plan is set up to allow the debt to be paid off over an extended period of time with minimal personal impact. Individuals are able to pay a single payment to a company monthly, and this payment is then split between all companies that are owed.

Some cases can be managed without even registering for bankruptcy. Southern California has numerous debt companies that are non-profit and consolidate payments for the individual to pay off, with these payments being lower and not hurting the person's credit. This prevents from a harmed credit score and having to go through the legal process for declaring Chapter 13. These businesses will contact each business that money is owed to, negotiate a smaller amount, and take a monthly payment that is distributed between all of them.

Hiring a good [Woodland Hills bankruptcy attorney](#) is very important if bankruptcy is what the person decides on. Choosing the right representation is very important, and looking online for reviews is always recommended. It may be best to hire a [Thousand Oaks bankruptcy attorney](#) though they are far away if they have the top reputation. Driving there is not a genuine concern since it will only be done a few times, and the rest of the prep work is done over the phone.