

BANKRUPTCY

A TEN-YEAR MISTAKE

If you're having financial difficulties and you're thinking of bankruptcy as a way out, consider these facts first.

- Bankruptcy does **not** wipe your credit slate clean and give you a “fresh start.”
- When you file for bankruptcy, it stays on your credit report for up to 10 years.
- You'll have trouble getting credit. Creditors seldom extend credit to someone who has filed for bankruptcy. That's true whether you file for straight bankruptcy under Chapter 7 or if you file under Chapter 13 with the intention of repaying your debts.
- You'll have difficulty getting **any** type of loan – for a car, a home, credit cards, education, personal needs, etc. If you doubt this...contact any creditor.

There are options other than bankruptcy.

- Contact your creditors first. Try to work out a payment plan with them. Remember they want to see you solve your financial problems just as much as you do.
- If you need special debt counseling, contact the Consumer Credit Counseling Service office in your city. Its purpose is to help consumers work out their debt problems. Depending on services provided, there may be a minimal charge.
- If you cannot find a Consumer Credit Counseling Service in your telephone white or business pages, look under the name of your city (for instance, Somerville Consumer Credit Counseling Service). **Or for the counseling office nearest you, call 1-800-388-CCCS.** You will be given the phone number for the nearest nonprofit counseling office.

So before you make a 10-year bankruptcy decision, *think*. Consider the alternatives and don't lock yourself into bankruptcy.