

Preparing to File Bankruptcy

The first thing we would recommend if you are considering bankruptcy is to call an attorney. However, there are some things you can do before we talk to prepare for the bankruptcy.

1. **Stop using your credit cards.** If you borrow money with the intent of having the debt discharged, then the debt is not dischargeable. You should consult an attorney before incurring any additional debt.
2. **Don't make any large gifts or property transfers.** Transferring property on the eve of bankruptcy can be considered fraudulent conveyance, which could disqualify you for bankruptcy protection.
3. **Consider which debts to pay.** Some debts (such as rent, utilities, car, and mortgage payments) typically must be paid currently, but paying large sums to credit card accounts that will be discharged is likely a waste of money. Discuss with an attorney which debts you should pay.
4. **Assemble important documents.** Put copies of documents that would be helpful in your bankruptcy into a folder or a box. Such documents would include copies of your current bills, current paycheck stubs and information on your property.
5. **Relax.** You're not the first person who needs help with debt. Get ready for your fresh start so you can avoid mistakes you may have made in the past.