

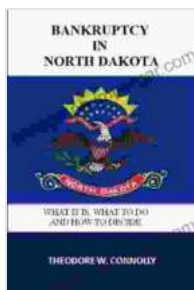
# What Is Bankruptcy? What To Do And How To Decide If It's Right For You

Bankruptcy is a legal proceeding initiated when a person or business is unable to repay outstanding debts or obligations. The purpose of bankruptcy is to provide the debtor with a fresh start by discharging or reorganizing debts.

There are two main types of bankruptcy:

- **Chapter 7 bankruptcy** is a liquidation bankruptcy, which means that the debtor's nonexempt property is sold and the proceeds are distributed to creditors.
- **Chapter 13 bankruptcy** is a reorganization bankruptcy, which allows the debtor to propose a plan to repay creditors over a period of time.

Bankruptcy can provide a number of benefits to debtors, including:



## Bankruptcy in North Dakota: What it is, What to Do, and How to Decide (What is Bankruptcy) by Jessica Whyte

★★★★☆ 4.3 out of 5

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- **Debt relief:** Bankruptcy can discharge or eliminate most types of debt, including credit card debt, medical debt, and personal loans.
- **Protection from creditors:** Once a bankruptcy petition is filed, creditors are prohibited from contacting the debtor or taking any collection actions.
- **A fresh start:** Bankruptcy can give debtors a chance to rebuild their credit and financial future.

Bankruptcy can also have some drawbacks, including:

- **Negative impact on credit score:** Bankruptcy will stay on your credit report for up to 10 years, which can make it difficult to qualify for loans or other forms of credit.
- **Loss of property:** In Chapter 7 bankruptcy, the debtor's nonexempt property may be sold to satisfy creditors.
- **Fees and costs:** Filing for bankruptcy can be expensive, with fees ranging from \$200 to \$2,000.

Deciding whether or not to file for bankruptcy is a personal decision. There are a number of factors to consider, including:

- **Your debt situation:** How much debt do you have? What are the interest rates on your debts? Are you able to make the minimum payments on your debts?

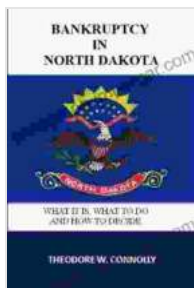
- **Your income and expenses:** How much money do you earn each month? What are your monthly expenses? Are you able to live within your means?
- **Your assets:** What assets do you own? Are your assets exempt from creditors?
- **Your goals:** What are your financial goals? Do you want to get out of debt? Rebuild your credit? Save for the future?

If you are considering bankruptcy, it is important to talk to an experienced bankruptcy attorney. An attorney can help you understand your options and make the best decision for your financial situation.

If you are considering bankruptcy, there are a few things you should do:

- **Calculate your debts:** Add up all of your debts, including credit card debt, medical debt, personal loans, and any other debts you owe.
- **Review your income and expenses:** Track your income and expenses for a month or two. This will help you see where your money is going and identify areas where you can cut back.
- **Consider your assets:** Make a list of your assets, including your home, car, and any other valuable property. Determine whether your assets are exempt from creditors.
- **Set your goals:** What do you want to achieve with bankruptcy? Do you want to get out of debt? Rebuild your credit? Save for the future?
- **Talk to a bankruptcy attorney:** An experienced bankruptcy attorney can help you understand your options and make the best decision for your financial situation.

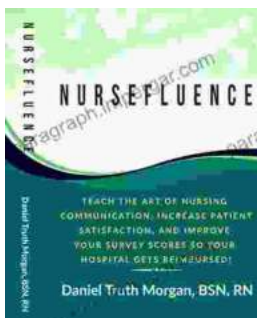
Bankruptcy can be a helpful tool for people who are struggling with debt. However, it is important to understand the benefits and drawbacks of bankruptcy before making a decision. If you are considering bankruptcy, it is important to talk to an experienced bankruptcy attorney.



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