

15 Steps to Take to Prepare for Bankruptcy

Bankruptcy is all about preparation. Here are some simple steps that you can take to make your case less stressful on your self and your bankruptcy lawyers.

1. Stop using your credit cards immediately.
2. Ideally, you will want to make sure that there was little to no purchase activity in the prior 90 days.
3. If there were very large purchases, cash advances, or balance transfers in the prior 365 days, there should be no less than 3 payments made on such credit accounts. Your lawyer may suggest making additional payments, or waiting several months before filing is prudent.
4. Do not be tempted to withdraw retirement funds to pay bills. It may be counted in the 6 months income calculation and delay your filing date.
5. Do not transfer any property out of your name, like real estate, bank accounts, or other valuable property.
6. Start gathering your income tax records for the past two years.
7. Make copies of all pay-stubs for the prior 6 months and continue to collect them up until the filing date of your case.
8. If you already have a judgment against you, do not warn a creditor's law firm that you may be filing bankruptcy soon. It may be just the tip to cause them to seize any money you have your bank account.
9. Continue to make payments to your secured creditors if you intend to keep the property. This is very important if you want to protect your house and car.
10. Perform a title examination on your real property to make sure there are no unknown liens.
11. Do not be tempted to pay money back to friends and family members so they won't be affected by your bankruptcy.
12. Disclose all property that you may have an interest in. This includes parent's bank accounts, parent's real estate, personal injury cases, and anyone who may owe money to you.
13. Download your free credit reports at <http://www.annualcreditreport.com> to make sure no creditor is omitted from your bankruptcy petition.
14. Start saving money for your bankruptcy filing. Most attorney will provide a free consultation, but they are not permitted to file your case until they are paid in full.
15. Hire the best bankruptcy lawyer your can afford. Find one who devotes his practice to bankruptcy representation and is not a novice.