

In bankruptcy, up is down and black is white!

I often tell clients that bankruptcy reverses everything, what's good becomes bad and vice versa. It's as if you've entered [Alice's Looking-Glass world](#).

Why do I say that? Let me count the reasons ...

Real World

1. Making a lot of money is good.
2. Owning lots of stuff is good.
3. Reducing your expenses is good.
4. Paying off debt early (for example, a car loan) is good.

Bankruptcy World

Making a lot of money might prevent you from doing a Chapter 7 bankruptcy, the one that gets rid of your debts quickly.

If you own too much, you would lose much of it to creditors in a Chapter 7 bankruptcy or, in a Chapter 13 payment-plan bankruptcy, your payments might be too high.

Reducing your expenses might mean that you won't qualify for a Chapter 7 bankruptcy or, in a Chapter 13 payment-plan bankruptcy, your payments might be too high.

Paying off that car loan early might mean that that you won't qualify for a Chapter 7 bankruptcy or, in a Chapter 13 payment-plan bankruptcy, your payments might be too high.

I hope that's enough to convince you that bankruptcy isn't simple, and that you need to consult with an experienced bankruptcy attorney in your area sooner rather than later if you see that your finances are headed downhill.

Thinking of filing bankruptcy? Don't do these 7 things.

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