

## After Bankruptcy - Got A Bill? Don't Panic!

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After bankruptcy, your life is supposed to get easier. No more bills, no phone calls, no contact whatsoever. It's the fresh start you were promised all along.

But then the [seedy underbelly of debt collection](#) takes hold - the people who actively try to collect debts after bankruptcy. Some of these attempts will sound fairly innocent, whereas others will be downright nasty and abusive.



### **Why do creditors try to collect after bankruptcy, and what can you do about it?**

**The "why" part is easy.** They try to collect because they figure you're uninformed about your rights. Maybe you forgot who your lawyer was for the bankruptcy or, even better, maybe you didn't file for bankruptcy with a lawyer in the first place. If so, the chances of you complaining about the post-bankruptcy collection attempt is slim at best.

Sometimes it's the original creditor, but more often it's a company that buys up bad debts in the hopes that they'll hit payday. These companies don't spend much money to buy these debts, so they need to collect on only a few accounts to make a tidy profit.

**What can you do about it?** That, too, is pretty simple. [Section 524\(a\)\(2\) of the U.S. Bankruptcy Code](#) provides that:

(a) A discharge in a case under this title (2) operates as an injunction against the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability of the debtor, whether or not discharge of such debt is waived ..."

In other words, when someone tries after bankruptcy to collect a debt that has been wiped out they are breaking the law pure and simple. It's considered contempt of court, which means that someone is

violating a court order.

In case you needed to be told, violating a court order is a no-no. And when it comes to bankruptcy, those court orders hold a lot of protection for you after bankruptcy.

If a creditor was listed in your bankruptcy then you may have legal rights against them for violating the bankruptcy laws. But if they were not listed then your rights may be outside of the U.S. Bankruptcy Code. Either way, however, you have ways of forcing them to leave you alone after bankruptcy.

Life after bankruptcy can be a wonderful thing. No more bill problems and a fresh start in life. But if bill collectors spring to action after bankruptcy you need to be prepared to take action to keep them in line.

*This very cool photo of the old Penn Station was taken somewhere between 1910-1915 and is provided by the [Library of Congress](#).*

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