

A bankruptcy that consists mostly of medical bills is often called a medical bankruptcy. This type of bankruptcy is not an official term, but lenders may look at a bankrupt person more favorably for future borrowing if they can show them that their debts mostly consisted of medical bills. If you are attempting to obtain a loan after filing bankruptcy, it can help to show the lender a copy of your bankruptcy schedules to prove that your debts were predominately medical bills and not consumer borrowing.

Medical bills are eliminated by the bankruptcy discharge along with many other types of debt. Studies have shown that a large percentage of bankruptcy cases are caused by medical problems. Do you have some doctor bills that you want to pay off, but you need to file bankruptcy for other reasons? You can still pay your doctor after you file Chapter 7 bankruptcy if you wish. Chapter 7 bankruptcy allows you to discharge (eliminate) your debts. If you have enough property, some of it could be liquidated by the court. However, a bankrupt person is allowed to exempt certain amounts and types of property. For this reason, the majority of people in Minnesota don't lose any of their assets. You are free to pay any debt you want after you file your Chapter 7 bankruptcy case. For instance, you can continue to make car payments and mortgage payments to retain possession of the secured property. You could also consider a Chapter 13 bankruptcy case. Chapter 13 allows you to consolidate your debts and pay whatever amount is affordable to you over a period of three to five years. At the end of the payment period, the remaining debt is discharged. The court cannot liquidate your assets in a Chapter 13 case.