

I can't afford to stay in the apartment I currently rent. Can bankruptcy help me get out of my lease? Will I be able to find a new apartment given my post-bankruptcy credit score?

If you are leasing an apartment, a home, or any other kind of living space you have a contractual obligation to fulfill the terms of the lease. All leases contain a method for determining how long your obligation under the lease continues for. If you live in an apartment you likely signed a lease agreement for a certain number of months and agreed to pay a certain amount of money each month for the right to live in the apartment.

Unfortunately, given your circumstances (maybe you lost your job or have added medical expenses) you may be financially unable to continue to live in your current apartment given the price of the rent, the location, or the duration of the lease. If you are contemplating filing bankruptcy, you should know that the Bankruptcy code offers relief for people in Tucson, Arizona, who would like to get out of such leases.

Under the Bankruptcy Code, your lease is considered a type of "executory contract." This term simply means that both you and your landlord have ongoing obligations under the lease agreement. You must continue to pay rent and the landlord must continue to supply you with appropriate living accommodations. Under the Bankruptcy Code, if you enter into bankruptcy you have the option to either "assume" or "reject" the lease. Executory contracts extend beyond apartments and other rentals and include such things as vehicle leases, gym memberships, and cell phone contracts. Overall, if you decide to "assume" your obligation, it means that you are still obligated to fulfill the payments terms of your contract. If you "reject" your lease you are free from and of its obligations. However, you must also know that your landlord is also free from his or her obligations and you must move out of your apartment.

Understandably, you may be concerned that after you file for bankruptcy in Tucson, your credit will be too poor to find another place to rent. While it is impossible to determine what your credit score will be after bankruptcy, there is a real possibility that bankruptcy could affect whether another landlord will rent you an apartment. One way to plan ahead is to sign a lease with another apartment prior to filing bankruptcy. This way when you file bankruptcy you can "reject" your old lease and "assume" your new one. Also you should rest assured that you can include any outstanding rent you have not paid in your bankruptcy petition. While your Tucson landlord can take back the apartment and is entitled to damages for breaking the lease, these will be treated as unsecured claims and should be discharged in bankruptcy.

For more information regarding bankruptcy in Tucson Arizona please contact a Tucson bankruptcy Attorney.

Contact our firm today for more information. (520) 327-4800

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