

## **How Long Will Bankruptcy Stay on My Record**

At Rothamel Bratton our bankruptcy attorneys understand that you are concerned about how long a bankruptcy filing and discharge may stay on your record. We'll address this legitimate concern in three parts. First, we'll provide the bottom line answer as to how long bankruptcy stays on your credit report; second, we'll discuss what your credit report, likely, looks like now; and, three, we'll explain how you can rebuild your credit after bankruptcy.

If you have questions or concerns about your individual situation and how you may benefit from bankruptcy, or not, consult with Rothamel Bratton's qualified bankruptcy attorneys at one of our South Jersey or Philadelphia offices, 856-857-6000.

### **How Long Bankruptcy Stays on Your Record**

Filing for bankruptcy stays on your credit report for up to 10 years. However this doesn't mean future lenders will not do business with you before the expiration of this 10 year period, in fact, we find that credit is extended very shortly after a discharge is entered, regardless of under which Chapter of the Bankruptcy Code a debtor files.

### **What Your Credit Report Likely Looks Like Now**

If you are considering bankruptcy, you likely have late payments, high credit card bills, outstanding medical bills, or even lawsuits against you. This means that your credit report has already been negatively affected. On top of these financial issues, the emotional stress associated with the collection calls, letters and harassment that your creditors inflict on you can add substantially more difficulty to your situation. Bankruptcy provides immediate relief from this stress in addition to the substantial benefits to your credit.

Think about your credit situation from the viewpoint of a potential new creditor, your situation post-bankruptcy enables the creditor to extend credit knowing that you have obtained discharge of various old debts and have a relatively "clean-slate," such that money has been freed up allowing more available funds to spend on new creditors. Moreover, you cannot file for protections of the Bankruptcy Code for at least four (4) years (Chapter 13) and eight (8) years for a new Chapter 7, reducing the risk that their accounts will be discharged.

### **How to Rebuild Your Credit after Bankruptcy**

Bankruptcy offers a fresh start. When your bankruptcy is finalized, you likely will owe less than you do now. With solid legal advice and a clean slate, you can use your income to establish a good payment record and build your credit report.

Just like the inspirational children's book, *The Little Engine that Could*, keep saying to yourself, "*I think I can; I think I can.*" You'll get there (and you're not alone; about 2 million people file bankruptcy each year.)

1. Get a copy of your credit report from Experian, TransUnion, and Equifax. Correct any errors. You are allowed one free credit report from each agency per year; plus, if you get turned down for credit, you're entitled to another report at that time. Rothamel Bratton's office can also help facilitate this process for you.
2. Pay each monthly (and occasional) bill early; don't let those credit card companies trick you into late payments.
3. Don't use your credit cards, unless you absolutely can pay the charges off that very month. It's okay not to use them.

4. Don't cancel credit cards and don't ask to have your credit limit reduced. Doing so affects your debt to credit ratio; this lowers your credit score.
5. Don't collect credit cards; having 2 widely accepted cards (i.e. Visa or Mastercard) is plenty for emergencies.
6. Don't write a check unless the funds are in the bank the very moment you sign the check. Electronic transfers wreak havoc; checks don't take days to get back to your bank anymore.
7. Start automatic savings plans for an emergency fund, new car, appliances, and retirement. Have an amount (even if it's small) taken out of your main account each month. Then, you won't be wiped out or be subjected to the whims of credit card companies when life presents a challenge.
8. Obtain a one-year line of credit from a bank and save it. Use the loan to pay back the loan; it's worth paying some interest to build your credit report.
9. Although you should NEVER actually take the credit card or use it, ask a relative with good credit to add you as an "additional user" on his or her account.

If you have questions or concerns about your individual situation and how to rebuild your credit after bankruptcy, consult with a Rothamel Bratton qualified bankruptcy attorney. Your next step is to contact our office at 856-857-6000.

#### **About Rothamel Bratton LLC**

Rothamel Bratton LLC is a New Jersey and Pennsylvania law firm providing focused expertise, innovative thinking and unprecedented service. Their professionals have a diverse background that includes the representation of thousands of homeowners purchasing and selling homes, estate planning and administration, tax planning, elder law, asset protection, disability planning, representing small to large corporations, bankruptcy, business succession planning, commercial real estate, family law, mergers and acquisitions, immigration, civil litigation, workers comp., SSI, SSD, DUI and municipal court, employment law, and estate litigation. Rothamel Bratton LLC offers three convenient locations in Haddonfield, NJ, Philadelphia, PA, and Lawrenceville, NJ.

For more information about Rothamel Bratton LLC, visit [rothamelbratton.com](http://rothamelbratton.com).