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Bankruptcy and What You Need to Know by [FIDELITYLAW](#)

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Bankruptcy – How much credit card debt is permissible to go for it? If you are planning on filing bankruptcy, a common question that may concern you is whether you have too much or too little debt to be allowed the bankruptcy.

Every potential bankruptcy client owes a different amount of debt. In fact, the type of debt that each one owes can also be different. You may want to file a bankruptcy for major credit card debts or medical bills or installment loans that have been taken out to meet some financial needs and so on. Thus bankruptcy poses a lot of considerations in front of you.

There are two major kinds of bankruptcies that you can opt for: Chapter 7 Bankruptcy or Chapter 13 Bankruptcy. If you are planning to file for a Chapter 7 Bankruptcy there is not a specific limit to the amount of debt that you can owe.

However, there will be an examination conducted by the bankruptcy court for all cases to find out the total amount of your household income in accordance to the amount and type of debt that you owe. This is done to make sure that you are not taking undue advantage of the bankruptcy system. In case you are considering filing for a Chapter 13 bankruptcy, there will be some amount of limitations that is upon the total amount of debt that is permissible.

The Section 109(e) of the Bankruptcy Code which comes under the Federal Bankruptcy Law, states that if you are an individual with a regular income you cannot owe more than \$250,000 in unsecured debts and \$750,000 in secured debt.

There are some Bankruptcy courts where the judge will hold a hearing in order to confirm your Chapter 13 plan if you have more than \$100,000 in consumer debts. These limitations make sure that debtors are not exploiting bankruptcy laws.

In order to avoid more prolonged debt issues you can stop using your credit cards as soon as you consider filing for a bankruptcy.

This will make sure that you don't go on incurring debts for yourself. There are some cases where the court might ask you when the last time you used your card was. This is done in order to ensure that you hadn't run up your credit card charges just before filing for bankruptcy.

One of the best ways to get a more specific analysis of your situation is to contact a bankruptcy attorney or a lawyer. However, it is possible for you to generally analyze your situation by following bankruptcy guidelines in order you don't want to hire any professional help.

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FIDELITY LAW is a Professional Corporation consisting of expert a [Bankruptcy Attorney Ca](#), who specialize in a [Chapter 7 Bankruptcy](#), debt cancellation, bankruptcy Attorney in California related

topics.

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