

Credit Counseling and Debtor Education Courses - Bankruptcy Reform Act

Under the old bankruptcy law, you could file for bankruptcy at any time. Now, before you will be able to file for either Chapter 7 or Chapter 13 bankruptcy, you will have to participate in a credit counseling session within 6 months of the filing. After successfully filing for bankruptcy, you will also have to pay for and attend a debtor education class in order to relieve your debts.

Pre-Bankruptcy Credit Counseling

During your credit counseling session, a certified credit counselor will help you explore your options. Your credit counselor will be a qualified financial advisor who will help you decide if bankruptcy is the right choice for you. In addition, he or she is required by law to offer you impartial advice. This means that he or she cannot lead you to make a specific financial decision.

Your session may be in the form of a simple phone call to a credit counseling agency. You may even be able to send a credit counseling agency your information through the internet. You will probably spend about one hour discussing your situation with the credit counselor. When you have completed your pre-bankruptcy credit counseling, you will receive a certificate. You will then be eligible to file a Chapter 7 or Chapter 13 bankruptcy.

Post-Bankruptcy Debtor Education Course

In order to relieve your debts, you will be required to attend a debtor education course. The purpose of this course is to teach you how to better manage your finances after your bankruptcy. It will take more time to complete than your credit counseling session and may last from 1 to 3 hours.

You will probably be required to pay for your debtor education course. This means that filing for bankruptcy will cost you more money. However, some US Trustees may offer debtor education courses at their own offices. This will make attending the class cheaper and more convenient for you.