



Bankruptcy can offer a fresh start for those overwhelmed by debt, but understanding its implications is key.

Debt Management, and Consolidation

1: Bankruptcy Overview



Types of Bankruptcy:

- ✓ Chapters 7, 13, 11, 12, 9, and 15 serve distinct purposes for individuals and businesses.



Advantages and Disadvantages:

- ✓ Automatic stay, debt discharge, asset protection vs. credit impact, property risk, debt exceptions, and legal expenses.

2: Credit Score Impact of Bankruptcy

- ✓ **Immediate Impact:** Significant drop in credit score.
- ✓ **Duration:** Chapter 7 (up to 10 years) and Chapter 13 (up to 7 years).
- ✓ **Recovery Over Time:** Gradual improvement with responsible financial habits.

3: Debt Consolidation Outside of Bankruptcy



Options:

- ✓ Debt consolidation loan, home equity loan/HELOC, 0% APR balance transfer, and debt management plan.



Considerations:

- ✓ Financial situation, debt magnitude, and payment ability.

4: Managing Personal Loan Debt

- ✓ **Strategies:** Budgeting, autopay, paying extra, refinancing, and debt consolidation.
- ✓ **Importance of Guidance:** Seek advice from financial experts for personalized solutions.