

Will bankruptcy get rid of my debts?

Before deciding to file for bankruptcy, you must understand what bankruptcy will and will not do for you. Bankruptcy won't solve every problem or get rid of every debt.

Types of debts

Whether bankruptcy is the right choice depends in large part on the type of debt you have. There are two main types of debts: secured and unsecured. Bankruptcy will discharge most unsecured debts, but not secured debts. It is important to know the difference between the types.

The problems bankruptcy will remedy

Bankruptcy won't get rid of all debts, but it will remedy many common problems including credit cards and utility bills, and wage garnishments. Other debts, such as mortgages and car loans, can be paid down through a Chapter 13 bankruptcy.

The debts bankruptcy will not eliminate

Some debts cannot be discharged through bankruptcy. These include alimony and child support, student loans and taxes as well as debts incurred through fraud.