

QUESTION & ANSWER: BANKRUPTCY

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1.□□ □ Does bankruptcy prevent me from obtaining permanent residency or citizenship?

No. Bankruptcy does not have any negative consequences on an application for permanent residency or citizenship because it is a legal process. Bankruptcy does not break the American law. In fact, bankruptcy was created by the American law.

2.□□ □ Does bankruptcy prevent me from obtaining credit cards in the future?

No. Financial companies are willing to issue credit cards after bankruptcy.

3.□□ □ Does bankruptcy affect my spouse's credit?

No. Bankruptcy affects only the credit of the person who files for bankruptcy.

4.□□ □ Is the personal income a significant issue for bankruptcy?

Yes. Both the personal income and the personal expenses are significant issues for bankruptcy. An individual must have a certain income to qualify for bankruptcy. For chapter 7, the income must not exceed a certain amount. If the income exceeds that amount, chapter 13 becomes the only option available for bankruptcy. For chapter 13, the income must be sufficient for paying a percentage of the unsecured debt. Usually, it is 10% of the unsecured debt.

5.□□ □ Does my spouse's income matter?

Yes. The income and the expenses of both spouses are considered in determining the eligibility for bankruptcy even if only one spouse files for bankruptcy.