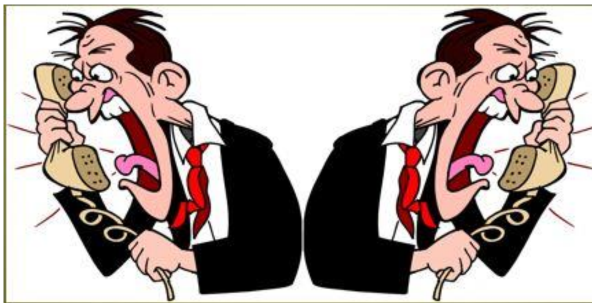
Considering Bankruptcy

by Kenneth Gibert, YourLegalLegUp.com

Give Careful Thought before Opting for Bankruptcy

Most people being sued for debt give at least some thought to declaring bankruptcy. It seems like it would be so easy to do: one filing and all your troubles disappear. But it was not always the right decision even before the bankruptcy "reforms," and now it requires even more thought. Bankruptcy *could* be the right choice under certain circumstances. The problem is that many of the lawyers you might approach for help when you're sued for debt recommend bankruptcy without giving it much thought or considering your other options.

There are good reasons to consider a different approach. Perhaps one of the best reasons to be cautious is that **most bankruptcies do not end with the debts being discharged (going away); bankruptcy is therefore much riskier than most people think**. Going through with a bankruptcy requires a serious commitment, and most people who start the process don't make it through. That lets everybody who WAS going after you come after you again. And statutes of limitations do not operate while a bankruptcy is pending, so debt collectors get more time to chase you than they would have had if you hadn't filed.



Ken Gibert practiced law for fifteen years in St. Louis, Missouri before founding Your Legal Leg Up. He has written two full-length books on debt law - ***Special Issues in Debt Litigation***, and the ***Your Legal Leg Up Litigation Manual*** – as well as materials on debt negotiation and credit repair and restoration, and dozens of articles and videos on how regular people can defend themselves from the debt collectors and protect what's theirs.

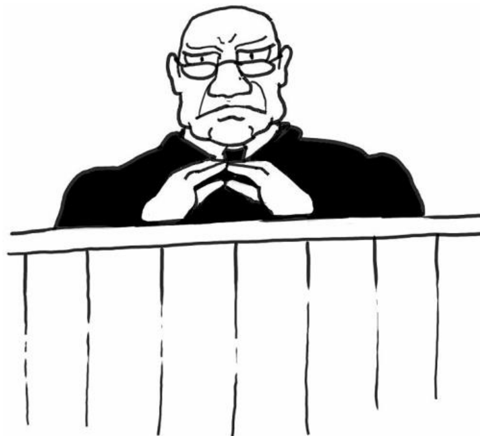
Today I received a "Stipulation of Dismissal with Prejudice." It's a done deal. Your litigation materials were clear, vital and necessary tools for me to win. All the examples, logic and powerful arguments presented in your materials helped me beyond belief! I am eternally grateful, and right now quite ecstatic! Your materials are simply the best anywhere for pro se defendants facing debt lawsuits!

This Report

This report is not intended as legal advice or to substitute for getting your own legal advice by a lawyer who knows the facts of your situation and can think it through with you and answer a few questions. Rather, this report is intended to give you an overview of the process. That should help you save time and money, and ask more intelligent questions if you do talk to a bankruptcy lawyer. It is designed to give you some more independence in the process – and to tell you some things most bankruptcy lawyers won't tell you.

Declaring bankruptcy is a big step, and if you're going to do it you want to make sure it will work for you. Unfortunately many of the people you'll talk to have their own axes to grind.

Remember the old saying that, "to someone good with a hammer, everything looks like a nail." Lawyers tend to be biased in favor of their own specialties, and they also have a business to run and are trying to sell you their services. Bankruptcy lawyers make very good money. If you're going to be paying their salary, there are things you need to know.



The Bankruptcy Process

Bankruptcy law is federal and has its own judges, rules, and courts. To speak very generally, if you want to declare bankruptcy, you will normally want to speak with a lawyer who specializes in bankruptcy. The law and procedures are complicated enough that hiring a non-specialist is pretty risky. Most general practitioners of the law who used to do an occasional bankruptcy no longer do them after the bankruptcy "reforms" of 2005. *I practiced bankruptcy law in only a few cases, and so you must also take* ***my*** *words on the subject with a grain of salt*. I have an outsider's view of the process and law, although I have put a very significant amount of effort and knowledge into this report.

How Bankruptcy Works

There are two kinds of bankruptcy that generally could apply to individual consumers: "Chapter 13" and "Chapter 7." These names refer to sections of the bankruptcy code, which is its own set of federal law. Chapter 13 is a "reorganization" of debts and payments, whereas Chapter 7 is a "liquidation" of debts.

Both chapters look at the amounts supposedly owed and the terms of any payments that are due. Generally speaking, liquidation gives all your property (minus a few "exemptions") to the creditors to divide up amongst themselves while you walk away with practically nothing and "start over." Reorganization works differently. In reorganization, the court will examine the terms of the debts you owe, consider what you can pay, and set up a payment schedule that allows you to pay the creditors some proportion of what you owe over time. At the end of that time, the debts are dissolved and you retain whatever property the court allows you to keep.

If you make it through all the hoops and get to the end. As we pointed out above, most people simply do not manage this. In those cases, the claimants who have received something from you will credit your account with them to that extent and try to collect everything else as if the bankruptcy had never occurred. That means there will be interest and fees to pay in addition. Anyone who did NOT file a claim is now put back in the position they were in before the bankruptcy stay began, which of course revives many of the claims against you.

Speaking pragmatically, this result might not be as bad as it sounds. Some creditors will have given up on you and disappeared from your life. But they all have at least the option of suing you again, and the bankruptcy will have extended the time they have to do that.

The Bankruptcy "Stay"

If you file for bankruptcy, all debt collection activities are automatically "stayed" (stopped). It is illegal for a company to try to collect a debt from you after you have filed bankruptcy – all debts are to be channeled through the bankruptcy court. And this is why people find bankruptcy so appealing - with one action you can stop the creditors and debt collectors from harassing you. Unlike the Fair Debt Collection Practices Act, for example, the bankruptcy

law applies to everyone seeking money, at least initially. It is designed to allow you to reorder your accounts and life with a little less interference from the debt collectors and can be a great thing for that reason. And the debtors are supposedly treated equally, so even if they lose some money, it is theoretically fair to them, too.

We will discuss some important qualifiers to that idea in a bit, but at least in theory the process is supposed to let legitimate creditors collect as much as possible (given the situation) in an orderly way.

Some Limitations of Bankruptcy

There are several factors that can reduce the benefit of bankruptcy, and the main one has to do with the types of debt there are. To begin with, you can have "secured" debt or "unsecured" debt.

A debt is secured if (and to the extent that) there is some property that is used as collateral. A debt is unsecured if there is no collateral. House and car loans, for example, are generally secured, and failure to pay the debt on the terms set out in the loan or mortgage will result in repossession of the property. For them, the automatic stay is usually "lifted," and bankruptcy will not protect you from the consequences of overdue payments on secured property. It "is considered unjust" to allow the debtor to retain property when the event triggering repossession has occurred. I'm not sure it is any more unjust to allow the debtor to keep the collateral than to allow the debtor not to pay an unsecured loan, but it is a very old legal concept and not likely to change in important ways.

From the legal standpoint, repossession is not even considered "debt collection." Rather, it's the termination of certain property rights. When those rights are terminated, you no longer have a right to the thing in question. In reality that is obviously a form of debt collection, but the courts have pretty consistently held that it isn't.

This means that if you are having trouble paying more than one debt, and one of them is secured, and bankruptcy is an option, it might make sense to pay the secured debt first before declaring bankruptcy. It also means not to expect much help from bankruptcy if a big part of your financial problem is your car or house, if you are hoping to keep the car and house.

Even if a debt is secured to some extent it may not be secured completely. The property may be "underwater," which means that there may be more due on the debt than the collateral is worth. That used to be rare, but now it is quite common, thanks to all the home refinancing and "cash-out" loans. In theory, when a secured debt is underwater, it is secured to the extent of the collateral and unsecured as to the rest. This can have complicated implications as to the bankruptcy treatment of the asset and debt, but probably won't protect you from foreclosure or repossession. Practically it might open the door to a court wanting to "reorganize" the mortgage downwardly, but that question is far outside the scope of this report and my own expertise, although it might be worth discussing with your bankruptcy attorney if you have one.

In other words, if you have a house where you owe more than it's worth, or if you have a mortgage payment arrangement that seems unfair or unmanageable, you should ask the bankruptcy lawyer whether you can negotiate it downward. There will probably be some times when that is possible.

In addition to the distinction between secured and unsecured loans, there are also differences between types of unsecured debts. These are usually the result of knee-jerk political reactions and prejudices.

For example, "gambling" debts are not entitled to the protections of bankruptcy at all. It is more immoral in the eyes of congress, you might think, for a person to gamble at a casino table than it is for a bank to gamble by installing an ATM *at* a casino. In each case the person is wagering money in the hopes of getting lucky and making a profit. Both are relying on odds stacked against the gambler. But the real difference in the equation, of course, is the banking lobby, which lobbied for years and spent many millions of dollars for legislation to protect them from the consequences of placing their ATMs where they could do so much damage. Gambling debts are "bad," and if you have one you generally cannot make it go away through bankruptcy – it's considered a sort of fraud.

The legal principle is that if you incur a debt without intending to pay it back, then you are not entitled to bankruptcy protection if you can't pay it back. And the law says that you DO NOT intend to pay back a gambling debt if you borrow money to place the wager.

Student loans, on the other hand, are "good," and that's why you cannot make *them* go away. Again, it is considered good social policy to allow schools and banks to help students amass large loan burdens on the way to their basket-weaving degrees, but when the educational "gamble" fails to pay off, only the student is left holding the bag. Again you should see the footprint of the banking lobby. We will talk more about student loans and bankruptcy below.

There are also some limitations which apply to people rather than the character of the debts. I am not familiar with the details of these limitations, although I am aware that there is "means-testing" to make sure people with incomes above a certain level cannot simply discharge their debts in liquidation. The rule was theoretically supposed to keep people like doctors, who amass large debts as they go through medical school, from declaring bankruptcy as soon as they get out and find a job. Sounds good in theory, and there were probably even a few doctors who did that, but the question is whether that rule will apply in ways that prevent people with legitimate needs for bankruptcy. Of course it does, so you need to find out if and how it applies to you before filing for bankruptcy.

These exemptions from bankruptcy are inherently political, and some of my own politics are showing, no doubt. But the point is that there are classes of debts and debtors which are beyond the protection of the bankruptcy procedure. I have mentioned a few, **and there are others, including alimony, child support, employer withholding, taxes, and damages for intentionally wrongful acts, to name a few**.

Many of these exemptions cover the debts that are most likely to put a person in debt trouble in the first place, so there is a substantial chance that bankruptcy will not offer you the protection and fresh start you are hoping for. Perhaps this is why so few people who file for bankruptcy make it to the end. Before actually getting into bankruptcy you would certainly want to make sure that bankruptcy would discharge the debts that are bothering you. **Ask the lawyer and get a specific answer before you hand over your future to the bankruptcy lawyers or courts**.

Some Advantages of Bankruptcy

There are two main advantages of bankruptcy: the automatic stay and, ultimately, the discharge of the debts that are burdening you. Although I have spoken of some limitations of the bankruptcy process, these advantages can be substantial if bankruptcy is right for you.

To reiterate, at the very moment you file a petition for bankruptcy, an “automatic stay” goes into effect. This prevents any creditor from suing you. Or even from trying to collect any money at all in any way. They aren’t allowed to call or write you or try to collect in any other way. Doing so subjects them to the anger of the bankruptcy court – and that can be very expensive. The automatic stay works.

The stay does not just apply to legal claims for money. That is, if someone is getting ready to sue you, they’re stopped from doing so. If they’re in the process of suing you, the case is automatically required to be “stayed” (put on hold). And even if they have a judgment, they can do nothing to try to collect the money.

In plain English, that means that if you are being sued you don’t HAVE to file bankruptcy in any kind of hurry. Even if they get a judgment you can stop them from actually hurting you by filing bankruptcy – whenever you file. Or to put it more bluntly, if a debt collector is suing you, you can try to win that case and then, if you lose, file bankruptcy.

As part of the “reorganization” bankruptcy process, the court will evaluate all the claims that get made against your estate. Everybody who says you owe them money is supposed to come forward with a claim, and the court is supposed to evaluate the claim. Sometimes it rejects the claims, and sometimes it classifies them in various ways. That haggling process is where the lawyers for the creditors make their money. In the end, the court is supposed to have a true picture of what you really owe and should owe.

The bankruptcy court has the power to conduct entire trials, including jury trials, over contested amounts.

The court also looks at your resources and, again with input from all the lawyers involved, comes up with a payment plan. I believe this payment plan is supposed to pay as much as possible of the debt, but I think there are some limits to how long the bankruptcy will last. So it’s possible you won’t end up paying everything. At the end of the process, you will owe nothing (all remaining debt is “discharged”) and walk away from the court with whatever you were

allowed to keep.

If you make it to the end. I recommend that you ask any lawyer you're considering hiring for a bankruptcy how many of his clients have made it to the end and achieved discharge of their debts. You need to know if this is a lawyer that makes it easy to get in but not go all the way – or whether this lawyer will see you through to where you need to go.

Drawbacks of Bankruptcy

Assuming that your debts are of the type that can be "cured" by bankruptcy, is bankruptcy for you? There are some costs to consider.

Bankruptcy Is Expensive

Bankruptcy law is federal law, and federal law is expensive. If you look through the advertisements for bankruptcy lawyers, you rarely see price mentioned. A common price before the "reforms" used to be around $500, but now it's rare to see one below $1,000 or $1,500. Of course that isn't exactly "cheap," but you also need to know what you are getting for that money.

In a Chapter 13 reorganization (also called "wage-earner" bankruptcy), there will probably be other fees along the way. I am not saying that the lawyers do not earn their fees, only that "low money down, easy payment" arrangements are a large part of why many people need bankruptcy in the first place. Remember that whatever anyone else says, debtors are the ones who pay ***all*** the fees and charges in bankruptcy, and even if your lawyer will be paid from the bankruptcy "estate" (the fund created out of your money to pay the creditors), the fees are real:

the more your lawyer charges, the more you will actually pay.

In all bankruptcies it is possible (and very common) for the creditors and debtors to disagree over how much is owed and how much should be paid. The bigger the total, the more you will pay in a reorganization, either in terms of the amount per month or length of payment plan. In a liquidation, the dispute will focus on whether the debts should be discharged at all either because of their character or yours. These disputes can involve a substantial amount of attorney effort. Your attorney, and everybody else, will be looking for you to pay. **Make sure you understand what circumstances could make you have to pay more and how likely those are to happen**.

If you have much debt, or have been in debt for long, I would guess that chances are pretty good there will need to be a dispute process. We will discuss this in more detail below.

Bankruptcy Is Intrusive

Reorganizations often involve court action over several years. During this whole time you will be required to submit various forms and reports to the courts on a regular basis.

These reports are designed to make sure that you are paying what you should, that you are earning what you said, and in general, that things are happening in a fair way. Because the laws were designed to prevent or catch sneaky people doing sneaky things, they necessarily intrude deeply into your privacy, making you explain and justify almost everything you do with money, and this explanation could come in a bankruptcy court crowded with lawyers and other people, under oath.

It is perhaps a necessary evil, but it is certainly a cost of declaring bankruptcy that the things you do with money will be looked at and questioned, and there can be a high price for any mistake.

An important goal of bankruptcy is to be fair to the creditors. The automatic stay is designed to keep debt collectors from intimidating or harassing debtors into paying certain creditors unfairly large amounts of money, and there are other mechanisms for that purpose, too.

There is, for example, a "**look-back**" power which allows the court and parties to examine transactions occurring during some period of time before the bankruptcy filing. The purpose there is to prevent the defrauding of all creditors (by hiding money or engaging in "sham" transactions of various types), or the favoring of a few creditors (by paying off debts to certain favored creditors like family). The courts can examine the ways you spent your money even before you filed for bankruptcy. And what the courts can examine, the creditors can question you about, under oath.

Bankruptcy Is Hard

This is probably obvious, and you will have at least considered it superficially, but I suspect most people do not consider it carefully: bankruptcy is hard.

What do I mean by "hard?" We've talked about the intrusiveness and basically the lack of financial independence you will experience. But now let's talk about budgeting. See, what's going to happen is that the court is going to look at your assets and income and decide how much you have to pay the creditors. Put another way, which is very, very relevant, the court is going to decide how much money you get to spend as you want, and it won't be much.

You'll tell the court you need $15/month for haircuts and get that, $20/week for lunch, and various other amounts which the court will consider and allow or not. And then… there won't be any other money for you. Everything else will go to the creditors.

So you will go two, three, or five or more years without any other money that whatever paltry amount the court allows you. And for that time you will really have no hope of getting any more. My guess is that this is probably the main reason so many people don't make it through. It's hard to stay focused on the overall freedom from debt you will experience while your spirit is so cramped from day to day. I'm not saying that isn't "fair" or "right." I don't know whether I think it's fair or right. But it's obviously a very difficult process.

And the court will harshly punish any attempts to evade its rule (if it catches you).

It's a mighty tough road for an ordinary person or family. If you're Donald Trump or some other millionaire or billionaire, it's as easy as can be. But for regular people bankruptcy is a long, bitter process.

Bankruptcy Is Risky

Although it is difficult to find statistics on how many people file bankruptcy and fail to achieve the discharge they were looking for, I know that the number is over 50%. And if discharge is denied, you have given all your creditors a great deal of personal and financial information to use against you in the collection actions that will follow in addition to the very considerable amount of money you will have lost.

If discharge is disallowed, you will owe 100% of the debts you sought to discharge (as if you had never filed), and although the amounts of money you paid under the plan *will* count towards payment, they might not even offset the interest and penalties that will come back to you.

I have not litigated a failed bankruptcy and do not know whether they typically result in various admissions or actions which constitute admissions for future litigation. I would consider that a significant risk, however. Bankruptcy lawyers are not, by and large, interested in contesting the *nature* of the debts presented to them. That means that if a debt collector submits a claim for an alleged debt using evidence that would never be permissible in a debt law court

(normal circuit or associate circuit court), you might begin paying on that debt as a part of the chapter 13 reorganization. That money would probably be lost for good if you later contested and defeated the debt, and beginning to pay it *might* have a negative effect on your chances of defending against it. We will discuss this at considerable length after discussing alternatives to bankruptcy.

Alternatives to Bankruptcy

Your main alternative to declaring bankruptcy is to wait and see if the debt collectors and creditors sue you. Most of the time, they simply won't. If they do bring suit, you can either defend yourself or settle on a one-by-one basis (or both). And there is a pretty good chance that most of them will not sue you.

If you are concerned primarily about one or two credit card bills, there is a good chance that defending yourself from the debt collectors – even if it goes to litigation – will be less expensive, risky, and time-consuming (even if you defend yourself pro se) than bankruptcy, which requires a great deal of time and a considerable amount of money. Your chances of actually winning and avoiding the debt are *very* good in a suit against debt collectors, and, although not quite as good against the original creditors, still reasonably good in that situation, too.

For reasons we'll discuss below, you may have to fight some of these debts in bankruptcy yourself anyway.

If you are talking about a lot of debt with different companies, but the bulk of your debts are unsecured, most of them will either just disappear as the creditors give up on getting their money back, or else a creditor or debt collector will file suit against you. You are not likely to be swamped with debt lawsuits at any one time though, as the various creditors and debt collectors will make the decisions independently. Debt collectors often – even "usually" choose to let the debt go and drop it.

Although annoying, the debt defense process will be less intrusive, and far less constrictive, than the bankruptcy would have been.

If you lose the case, or if too many of them start to pile up, bankruptcy could become a more attractive option. Then your attempt to defend yourself, even if you lost, will not have harmed your bankruptcy claim, which will offer you all the same protections (if any) that it ever did.

Risk to Credit Report

Bad credit is reported with reference to a negative credit "event." In the case of a credit card debt, for example, that event might be either missed payments or default. It is not primarily the filing of suit (although this, too, will be reported). This means that if you default on a debt, it will be recorded for seven years from that date of default, after which that debt disappears from

your record.

This creates an unfortunate "double-pay" situation for bankruptcy, since you will have had a negative credit report caused by the debt default for some time before you file bankruptcy, and then the bankruptcy itself is another negative credit event. So inevitably this stretches out the bad news in the credit report area.

There are risks to your credit report with either bankruptcy or debt defense. The bankruptcy itself will stay on your credit report for several years and can damage your access to certain jobs. Ironically, some creditors actually regard your bankruptcy as a positive thing, since it means you won't, for a time, be allowed to do it again. That's one of those things that make people hate those kinds of companies so much.

If you fight the debts and lose, the judgment will be on your credit report, although how that compares in damage to a bankruptcy I do not know. If, on the other hand, you fight and win or settle, you might be able to make the debt collectors stop reporting you. That would probably have some good effect on your report, and it would at least establish the date of the negative event at an earlier date.

New Considerations/Other Risks

When I first wrote this report, it was my firm belief that the courts would handle stale claims in bankruptcy in a certain way. I also, frankly, didn't know anything about student loans and bankruptcy.

I know much more now.

Stale Debt and Bankruptcy

A “stale” debt is a debt that is too old to sue on – it is beyond the statute of limitations. That doesn’t mean that no one could ever sue you, it just means two things: if they do sue you after the statute of limitations, (1) you can win the case on that basis; and (2) it’s considered by most courts to be a violation of the Fair Debt Collection Practices Act (FDCPA).

The Supreme Court ruled in early 2018 that filing stale claims in bankruptcy does NOT violate the FDCPA.

And this is huge if you’re considering bankruptcy. It means two big things: first, it means that debt collectors can swamp the bankruptcy courts (and your case) with otherwise expired claims they couldn’t have brought against you outside of bankruptcy. Second, it raises the risk that you will pay some part of these claims, not get a discharge, and then have revived the old claims against you. Because *paying part of an old debt resets the statute of limitations*. Of course it also means that you will pay more and longer in the bankruptcy. It may even mean that legitimate creditors receive less than they would have.

There’s something you should know about bankruptcy courts and lawyers.

There is very definitely a "go-along/get-along" mentality among bankruptcy lawyers. They're very friendly with each other, and historically they have known it didn't really make that much difference: the creditors were only going to get a small amount of what was due, and there just wasn't much point in fighting over it. That made sense. It especially made sense given the tendency of the lawyers to charge one price up-front for the bankruptcy – and the fact that you will not have money to supplement that fee even if you wanted to. Your lawyer is not going to want to look carefully through all the claims checking to make sure each one is not stale (that it is "timely")

This is not to suggest that bankruptcy lawyers are lazy, heaven forbid! But the hustling they do is more likely to be in search of more business, rather than making the business they have harder than it already is.

All things considered, the fact is that your lawyer is less likely to spot, and unlikely to fight, bad debt claims, and that courts are not likely to spot or stop them either. That could have devastating consequences to you. Before the Supreme Court ruling you still had reluctant lawyers who didn't want to fight about stale debt, but at least they had some incentive to do so since the FDCPA provided for attorney's fees and awarded damages. Now the FDCPA does not apply.

One other (bad) thing that is happening is that there's a whole new market for outdated claims. Debt collectors are less likely to ditch the claims than ever, and there is a whole new group of debt collectors who exist to bring these claims against anybody filing for bankruptcy. If you have old debts, there's now a very good chance some bad claims will be made against you if you file for bankruptcy. What do you do if that happens?

I believe that you can attack a bad claim even if your lawyer does not want to by filing an adversary procedure pro se. If you go to the (linked) government website on adversaries, you will see that they are discouraged and may result in fees, and they also involve even more red tape than most lawsuits.

What all these things mean is that if you file for bankruptcy, you really should not drop the case in the lawyer's lap and hope he takes care of you. You will need to be quite involved in the litigation and must be attuned to the likelihood of stale claims. It isn't always clear when a claim is stale, either, so you may have to do as much pro se lawyering in a represented bankruptcy as you would have done on your own outside of bankruptcy.

That should make bankruptcy look MUCH less attractive to you. Remember, too, that the fact that you are in bankruptcy might cause claims to be made against you that otherwise never would be, so this increases your overall risk substantially.

Not being a bankruptcy expert, I cannot actually recommend against it. But I do strongly suggest you consider the risks and make sure of your role before you hire any bankruptcy lawyer or go into the procedure. And make sure your lawyer is aware of what is happening with stale debts and is willing to do something about it. Make sure, also, what your role in the matter will be and how it all works.

It's a heavy burden. You cannot regard bankruptcy as any kind of escape from trouble. Not on any kind of immediate basis, anyway – relief will be a long time coming.

Student Loans

The rule on student loans in bankruptcy is quite grim. Student loans are treated differently and apart from all the rest of the bankruptcy. The court decides how much you have to pay on other things and how much you would get to keep, and then decides whether having to pay the student loan, on top of that, creates an "undue hardship."

You would probably be amazed to learn what is NOT an undue hardship. And student loans don't go away upon termination of the bankruptcy. No – they seem to be able to go on all but forever.

I created a lengthy report on student loans and bankruptcy. To summarize that report very briefly, my conclusions there are not hopeful. First, the courts most often apply an inhumane standard for the "undue hardship" test, and second, most bankruptcy lawyers don't try to get one anyway. They let their clients suffer for decades under the debt burden.

You can see why that would be so. Establishing an undue hardship is difficult in the sense that it is both unlikely AND that it requires a lot of work to try to establish. It requires real lawyering. Bankruptcy lawyers are not emotionally inclined to engage in significant dispute (it's just the way they are, bankruptcy tends mostly to be "friendly" law), and they also find it difficult to get paid for it anyway because their clients can't afford it.

Where all this leaves you I'm not sure. If you have big student loans and other debts too, I would strongly recommend considering anything but bankruptcy – it seems pretty clear (although not always, I'm sure) that your chances of bankruptcy working for you are pretty slim.

If you have old debts, you're going to need to be on your toes even if you choose bankruptcy.

And if you have terrible student loans and not much other debt I would suggest reading my report on student loans and deciding what to do about that.

Conclusion

In conclusion, whether you have one or many debt collectors after you for money, your chances of defending yourself are good. Even if you defend yourself pro se (without a lawyer), your chances of not having to pay are excellent and the intrusions on your privacy are less than bankruptcy. If that fails, you could then go into bankruptcy if that makes sense.

For most people, bankruptcy is not a good way to defeat debt collectors and is filled with risks most bankruptcy lawyers probably do not consider or warn you about.