

# Bankruptcy: The Kindest Thing You Can Do For Yourself

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*Most people are terrified when they think of bankruptcy.*

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**T**hey think that bankruptcy will make an already bad situation even worse.

You know that feeling: Your bills are piling up. You are wondering if you can possibly get the money to pay them — and that feeling multiplies when your car breaks down. That feeling is so paralyzing that it stops people from taking rational steps: They will do anything to just make that feeling go away.

For some people, this means ignoring the problem entirely. They stop paying their bills, and the mail piles up, as do the unanswered calls from collection agencies. One, three, even five years later, the mail is still unopened, and the problem has intensified. Perhaps they attempt debt negotiation — a viable solution, assuming they have a large chunk of money to settle the unpaid bills.

More often than not, people facing financial problems worry so much that they cannot focus on the solutions in front of them. There is so much emotion packed into that awful feeling that it

can be difficult to be clear-headed and strategic about financial problems. Eventually, most people check out. They start tossing the letters in the trash and burying their head in the sand. They do not want to feel that awful feeling, so they do not think about it. They cannot plan for the future because they are scared to think about the future.

Here is the truth: If your bills are piling up, and you have that sinking feeling in the pit of your stomach every time you think of your finances, bankruptcy might be the kindest thing you can do for yourself. It will give you an opportunity to wipe the slate clean and start over. Your pile of unopened bills will shrink, you won't have to send all those calls to voicemail, and you will feel peaceful and calm.

Bankruptcy might feel embarrassing, but every single person in society — from the entry-level administrative person to the CEO to the NFL player — has made bad financial decisions. Some of these decisions are followed by a stroke of luck that allow people to recover, but others do not allow for recovery.

This is where bankruptcy comes into play. From the beginning of time, civilized governments have acknowledged the frequency and impact of financial misfortunes, and they have always created laws to help people recover. In ancient times, all debt was forgiven every seven years. Today, our government intentionally created bankruptcy laws to give people who have struggled another opportunity.

In fact, I do not believe that you will need to recover from bankruptcy. Rather, you can recover through bankruptcy. Declaring bankruptcy is not for everyone—and I will be the first to tell you if bankruptcy is not for you. But if you are a candidate for bankruptcy, it might be the smartest financial decision you can make.

This might come as a surprise. After all, isn't bankruptcy the last option? Won't it make your financial future even worse?

Not at all. No.

If you are struggling with your finances, and you do not have an immediate and solid plan for finding financial relief, you will continue to struggle in the coming years, maybe even decades. As you fight to stay afloat, that feeling of dread will intensify, and your financial situation will continue to erode. Your credit score will shrink. Your debt will grow. And that feeling will not go away.

Your financial stress will take over your life. Instead of focusing on your family, your friends, your career, or your hobbies, you will spend most of your time worrying about money.

Bankruptcy sounds bad, but in reality, people who have declared bankruptcy say that it was their lifeline. When you start over and declare bankruptcy, that feeling in the pit of your stomach goes away. You can finally start saving money. You can pay your bills on time. What's more, you can breathe a sigh of relief.

You will feel peaceful, clear-headed, and worry-free for the first time in a long while. You can stop feeling sick every time you receive a collection letter. You can finally start focusing on your

family, your friends, your career, and your hobbies.

And in 12 to 24 months, guess what? You will have a terrific credit score. I know that sounds impossible, but I have seen it happen over and over.

Most people think they will suffer in the years following a bankruptcy, but that isn't true. If you take the proper steps of filing bankruptcy, do your research, and know about the process, declaring bankruptcy could very well end up being the best thing that happened to you.

In this book, you will learn how to recover from bankruptcy, face your fears, and take all the right steps so that your future is brighter than your past. Assuming you are a candidate for bankruptcy, you will learn that recovering from bankruptcy isn't nearly as hard as you think. In fact, you can recover through bankruptcy.

# Five steps to recovering from bankruptcy

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*It's easier than you think*

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**F**irst things first: Most people who have declared bankruptcy think that their credit scores and their personal finances are ruined for the next ten years.

But this is not true. Once you file bankruptcy, you will feel financial stability immediately, and you can have a great credit score — 720 or higher — within 12 to 24 months of discharge (for Chapter 7) or confirmation (for Chapter 13), provided you take the right steps.

Bankruptcy is a powerful life changer. You might feel anxious and worried today, but I promise you that if you follow the advice in this book, declaring bankruptcy will be a pivot point — a time when your life changed suddenly and for the best.

In this book, I explain the steps to making the most of your bankruptcy. I will show you how easy it is to repair your credit score, and I will address your other fears — like whether your friends and your employers will find out about your bankruptcy, and what to say if they do.

After working with thousands of bankruptcy clients, I have identified five patterns of behavior — five easy patterns of behavior — that set apart those people who use their bankruptcy as an opportunity to turn over a new leaf and start anew.

To recover from bankruptcy fast, here are five steps you must take:

1. Face your fears.
2. Start immediately.
3. Open new lines of credit without accruing debt (yes, you'll learn the strategy for this).
4. Be intentional.
5. Communicate clearly, directly, and honestly.