

Financial Fresh Start:

Step-by-Step Guide to Filing Bankruptcy



Considering bankruptcy can feel like defeat, but it's a legitimate legal tool for financial recovery.

When debt becomes unmanageable, bankruptcy laws provide structured options that may allow you to reduce or eliminate certain debts and help you regain control of your finances.

**Bankruptcy can feel overwhelming;
we've broken it down into the essential steps here:**

Step 1 —

Review your finances:

Take an honest look at your financial situation. Request your credit report, then list your debts, monthly payments, income, and essential expenses. This will help you understand whether your debt is temporary or unmanageable.

Step 2 —

Consider legal guidance:

Bankruptcy law is complex, and errors in paperwork or procedures can delay your case or affect the outcome. A lawyer can explain your options, ensure legal compliance, ensure you meet legal requirements, and help you make informed decisions for financial recovery. They can also help you compare Chapter 7 vs Chapter 13 bankruptcy (the main difference is that Chapter 13 includes a repayment plan) to decide what's best.

Step 3 —

Take a credit counseling course:

First, you must complete a mandatory credit counseling course from an approved provider.

The course helps you explore whether bankruptcy or another type of debt relief is right for you, like debt negotiation or consolidation.

Step 4 —

Gather supporting documentation:

You need these documents for the case: pay stubs or proof of income for the last six months; valuations of real estate you own; copies of vehicle registration; and other documents relating to your assets, debts, or income. Finally, complete the bankruptcy forms.

Step 5 — File your bankruptcy petition and forms:

Filing for bankruptcy involves submitting your completed forms to the bankruptcy court, either in person or electronically (where allowed). You must pay your filing fee; you can apply to pay in installments or apply for a fee waiver. Once you file, an automatic stay now protects you from all debt collectors, giving you immediate breathing room.

Step 6 — Complete the last mandatory actions:

After filing, a trustee is assigned to your case and may ask you to mail additional documents, such as tax returns and bank statements. Then, you need to complete a mandatory Financial Management Course before your discharge is finalized. Lastly, your trustee schedules a Meeting of Creditors (called a 341 meeting), a brief session to confirm your forms and ask questions under oath.

How can LegalShield® plans support you during bankruptcy?

Filing for bankruptcy involves legal rights that can be difficult to navigate during a stressful financial situation. Your **LegalShield®** plan connects you with experienced lawyers who can talk to you and help you understand your rights and options, including bankruptcy or other debt relief alternatives. All without the high hourly costs of traditional legal fees!

You can schedule a time to speak with a LegalShield provider lawyer or request a call back within eight business hours to receive **advice and consultation** on your personal financial situation. To make sure you get the legal answers you need, your provider law firm can provide up to **one hour of research per legal matter** at no additional cost.

With a LegalShield membership,
you can speak with a provider lawyer who can review your situation,
explain your rights, and help you decide how to move forward.

If you're not already enrolled in LegalShield,
please consider doing so at your next
opportunity!

LegalShield members used their benefit to resolve
257K consumer finance matters in 2025

Net Promoter Score of

58

(considered
excellent
over 50)

Provider law firms
average



22 years
of tenure

with  LegalShield®

