

Bankruptcy law involves having insufficient personal or business assets to pay your bills.

There are several types of Bankruptcy:

- Chapter 7 Bankruptcy is available to individuals below a certain income level whose debts exceed their ability to pay them back. Chapter 7 Bankruptcy is also available for liquidating businesses.
- Chapter 13 Bankruptcy involves reorganizing debts so that at least some of these debts can be repaid over time. This is available for individuals who do not wish to utilize Chapter 7, or for those whose income is too high to utilize Chapter 7.
- Chapter 11 is for business debt reorganization and is the business equivalent of Chapter 13.

Questions to Ask and Information to Obtain About your Prospective Attorney:

How long have you been handling bankruptcies?

This is a specialized field. Experience is important.

How much experience do you have in the type of bankruptcy I am pursuing?

For instance, some specialize in personal bankruptcy v. business bankruptcy.

How many bankruptcies have you filed per year in the last few years?

If it is just one or a few then they may not dedicate a large amount of their time to this field. This may be fine for a straight forward Chapter 7 personal bankruptcy, but may be an issue if it is a more complicated Chapter 11 business reorganization.

Do you serve on any bar committees or other organizations involved in bankruptcy law?

This is not essential, but if they do you can be assured that bankruptcy law is an important part of their practice.

How much will it cost?

Most bankruptcy attorneys charge a flat fee but others charge by the hour. You also need to know how much you will need to pay up front. Some will require the entire fee up front.

What are my options other than bankruptcy?

You should always ask this question, although most attorneys will address this with you even if you don't. Filing bankruptcy is a serious step to take that will adversely affect your credit for years to come. You need to carefully weigh your options before taking it and your attorney should be familiar with alternatives to consider.

Have you ever been disciplined?

Attorneys are strictly regulated by the State of New York through the Attorney Grievance Committee of each of the four Appellate Divisions. It is completely appropriate to ask if an attorney has ever been disciplined and if so for what.

Do you have malpractice insurance?

Attorneys make mistakes because they are human like everyone else. Most but not all attorneys carry insurance to protect clients from the effects of any mistakes that are made. You should hire one that provides this protection.