

YOUR POST-BANKRUPTCY CREDIT RATING TIMELINE

1 BEFORE BANKRUPTCY

Payments are often late and debt to income ratio is bad because you have lots of debt. This means that you will have a bad credit score. Bankruptcy comes off your credit report. Chapter 13 is removed after 7 years and Chapter 7 is removed after 10 years

2 BANKRUPTCY FILED

Your credit report will show a bankruptcy filing. All of the trade lines will say "included in bankruptcy." \$0 balance on the debts means a better debt to income ratio, which causes your credit rating to start improving.

3 1 MONTH AFTER BANKRUPTCY

You will receive lots of letters from car loan companies. These will have a high interest rate, but are your first clue that your credit rating is improving.

1 YEAR AFTER BANKRUPTCY

You will qualify for a car loan with a more normal interest rate. It will be a few percentage points above a perfect buyer, but not 15% or higher like it was before and immediately after the bankruptcy.

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3 MONTHS AFTER FILING BANKRUPTCY

You should open a card with a small limit. Use it once a month and pay it off completely. Your credit should be improving steadily now. If you have student loans or reaffirmed a mortgage or car loan, then your credit will be increasing even faster.

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YOUR DEBTS ARE DISCHARGED BY COURT

3 months after filing in chapter 7, and 3-5 years in chapter 13. Credit cards, bank loans, and judgments should all say \$0 balance, discharged in bankruptcy.

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7 2 YEARS AFTER FILING BANKRUPTCY

You should have a 720 credit score. This is a good score. The average American credit score is 687.

8 2 YEARS AFTER THE DISCHARGE ORDER

You now qualify for an FHA mortgage. If you have lots of debt, the fastest way to buy a house is often to file bankruptcy, spend 2 years saving up a down payment, and then to buy the house.

9 7 YEARS AFTER FILING CHAPTER 13

The bankruptcy is removed from your credit report. This will usually be only 2 years after the chapter 13 is over. After 10 years a chapter 7 is removed from your credit report.



HOW WALKER & WALKER HELPS YOU BUILD CREDIT

FREE CREDIT REPORT REVIEWS AND DISPUTING



Walker & Walker **will go through your credit reports** after the discharge to make sure that they are correct. We will **dispute any errors**, and are occasionally able to **win a settlement for you** if the bureau doesn't fix the error.

COUNSELING ABOUT FINANCIAL LIFE AFTER BANKRUPTCY



We want you to get out of debt and live without financial stress. **Walker & Walker counsels each of our clients** on things like building credit after bankruptcy and figuring out student loan repayment programs. Because student loans continue to show a payment history after bankruptcy, they help people rebuild credit.

HELPING PEOPLE REAFFIRM THEIR GOOD DEBTS



Many bankruptcy lawyers refuse to help their clients reaffirm any debt because it takes extra time. We know that some debt, like a first mortgage, is good debt. **We help you reaffirm this so that your mortgage payments show up on the credit report** after bankruptcy.