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Bankruptcy

Fortunately, if you are financially unable to pay your bills, this country has a system designed to help you to eliminate those debts. It is called bankruptcy. And although bankruptcy laws have been reformed in late 2005 – and I only recommend bankruptcy as a last resort – you should nevertheless know about your options.

The fact of the matter is that a lot of people are technically bankrupt yet struggling day to day to keep their heads above water. If you are contemplating bankruptcy because you're being hounded by creditors, and your cash flow situation is dire, make a point to get on the phone to negotiate and first try to settle your debts. If you have bills that are very old, seven years old or approaching that time, those debts would be very, very low on my list of priorities to repay, if at all.

Let's turn now to a discussion of how you can get a fresh start with your creditors – and I'm not talking about filing for bankruptcy protection. Have you ever heard of something called re-aging for your credit card accounts? When you have your accounts re-aged, negative information about your past-due accounts – such as notations about 30- or 60-day late payments – gets wiped clean from your credit file.

Re-aging also has other benefits too. Yet, most people have never heard of this process, despite the fact that it could help millions of consumers who are struggling with credit and debt issues. If only they knew what to do, where to start, and how they could go about getting their accounts re-aged. I'm going to share that information with you now. But first let me take a moment to talk to you about why it is that the "age" of your accounts matters at all.