

## Reaffirming of Debt

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In a bankruptcy it can cancel your debt; however, you have the option to “Reaffirm” a debt. If you do so, then you are legally obligated to pay the debt despite the bankruptcy. That means that if the debt is not cancelled by the bankruptcy, if you fall behind on the Reaffirm Debt you can get collection calls, be sued and possibly even have your pay attached or property tax taken.

Reaffirming Debt is an important matter to consider and you have to have a very good reason in order to do so. It is always an option, and is not required by bankruptcy or other laws; and if a creditor tries to get you to Reaffirm a Debt you have the option of saying no.

You can also cancel any Reaffirmation Agreement for sixty (60) days after it is filed with the court; or at any time before you discharge an order. You have to notify the creditor in writing, but you don't have to give a reason.

Once you cancel the creditor has to return any payments that you have made.

It has to be in writing, signed by your attorney before it is approved by a Judge and it has to be made before the bankruptcy is over.

The Reaffirmation does not have to be on the same terms, it can be a new contract and if you are thinking about Reaffirming your debt, the question you should always ask is “whether you can afford the monthly payments?” Reaffirming the debt basically means that you are agreeing to make payments every month and face consequences if you don't. You do really need to be cautious about whether you want to Reaffirm the Debt or not.

Consider other options; including, getting a less costly car or other options that are available to you.