

YOUR CREDIT REPORT AFTER BANKRUPTCY

**SAEDI
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What Should Your Report Look Like After Filing?

- **Every loan or debt should be marked as either discharged in bankruptcy, or included in bankruptcy. This is true even if you are continuing to pay the loan after the bankruptcy is done, or if you are in a Chapter 13 bankruptcy. Even if you are reaffirming your debt most creditors will still show it was included in the bankruptcy and your post-bankruptcy payments will NOT be posted on your credit report.**
- **Previous late payments will remain on your report however after you file bankruptcy there should not be any negative marks as these debts were included in your bankruptcy.**

What Should You Look for on Your Report?

Remember that when you file bankruptcy, you must list all of your debts. This means that every open credit account in existence at the time of filing should be marked as either included in bankruptcy, or as discharged in bankruptcy.

Any account that you paid off prior to the bankruptcy should be listed as paid and closed.

Without the bankruptcy, all of the delinquent and collections accounts would report to the bureaus every month that you had missed a payment. This lowers your credit score every month.

Why Does Bankruptcy Improve Credit Score?

After your bankruptcy the discharged debts will not get a new delinquency listing every month.

This is why bankruptcy often IMPROVES your credit after several months. The amount of each debt should be at \$0, and the month-to-month breakdown of these debts should not show overdue payments after the bankruptcy is filed.

When you review your credit reports you want to be looking to see if any of the debts included in the bankruptcy are still reporting delinquencies or missed payments.

What Should You Do If You Find Errors in Your Credit Report?

You should dispute them right away. Most loans will stay on the credit report for 7 years from the last activity (and a missed payment counts as activity). Since bankruptcy stops any further activity on these loans, it starts the clock running on when the bad things will be removed from your credit report.

The sooner you file a bankruptcy case, the closer you will be to having a pristine credit report. If you let things languish in collections and in default, that only increases the number of years that they will remain on your credit report.

Review your credit report six weeks after your bankruptcy discharge to ensure you get your credit fresh start.