

What is bankruptcy? - All you need to know



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McLAUGHLIN**

Tough times don't last. Tough people do.

Gregory Peck - American Actor

WHAT IS BANKRUPTCY?

Bankruptcy is a legal process where an individual is declared unable to pay their Creditors. The property or assets of an individual, who is unable to pay their debts (called a Debtor) are transferred to be sold by a person known as an official assignee who is given charge of the property by the High Court. When the property or assets are sold, the costs, expenses, court fees and certain priority debts are paid. After this, the net proceeds are distributed to those owed money (the Creditors).

HOW WILL BANKRUPTCY WORK FOR ME?

Bankruptcy is a settlement of the debts of someone who is wholly or partially unable to repay their debts. It deals with both



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secured and unsecured debt. The purpose of the bankruptcy is to distribute your assets fairly among your creditors and protect you from these creditors.

WHAT IS THE BANKRUPTCY PROCESS?

Lodge €200 with the Official Assignee.

Complete your petition, which must be verified by a sworn affidavit and a sworn statement of affairs.

Have the above documents stamped at a Court Stamp Office.

File the stamped documents and statement of affairs at the Examiner's

Office and obtain a court date.

Attend the court hearing on that date, where the judge, if satisfied, will adjudicate you bankrupt.

Meet the Official Assignee to be interviewed regarding your assets and debts.

File notice of your adjudication as a bankrupt in Iris Oifigiúil (the State gazette).

File notice of your adjudication as a bankrupt either on the ISP's website or in a national daily newspaper.

HOW CAN WE HELP?

Our 3-stage process

CONSULTATION

A consultation with our Bankruptcy Solicitors will help us and you to understand the nature of your financial challenges and allow us to strategize the best path forward for you.

REVIEW

Our Bankruptcy Solicitors will request copies of all relevant documentation from your creditors in order to consider whether they

have acted fairly and lawfully in all circumstances.

ADVICES

Based on stages 1 and 2 above our Bankruptcy Solicitors issue a letter of advices advising you on the various options open to you including Bankruptcy, Insolvency or the issuing of legal proceedings against your alleged creditors along with the restrictions and likely outcomes of each option.

The above article is one of a series of bi-monthly legal articles drafted by Conor McLaughlin, Solicitor and Principal at Conor McLaughlin & Associates Solicitors. They do not constitute legal advice and should not be acted upon without seeking legal advice particular to your set of circumstances. Conor McLaughlin & Associates Solicitors have their office in Bundoran, County Donegal. For further information on the above or any other legal issues you may have, please contact us on TEL: 071 984 1322, Email: info@cmclassociates.com or at www.cmclassociates.com



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