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Bankruptcy comprises two words in the English language. First word is â€˜bankusâ€™ that means the tabl of a tradesman. The second word is â€˜ruptusâ€™ that mean to break. In the earlier times in England, no one else but the traders was marked as being bankrupt. Because of this they had to face a punishment in the prison of the debtors from which they got a release only when they paid of all the money that they owed to the creditors.

As the times have changed so have the rules. Some people feel that going bankrupt is a simple alternative of keeping oneâ€™s self safe. There are a lot of rumors of what does a person face when he becomes a bankrupt which have now become a myth.

If a person owes more than an amount of 750 pounds then he called a bankrupt but all this does not happen in just one night. You become a bankrupt when you get a judgment or a statutory demand from the court and after this only can a creditor start bankruptcy proceeding against you.

On the initial stage, a person most of the times receives a bankruptcy petition that is personally served. From the date of the filling up of the petition to the coming 28 days, that person has to pay all the debt and get it removed from his name. This is the least span and most of the times it takes a longer duration. He then needs to attend the court hearing starting from the day, he is considered to be bankrupt. This date when you are made bankrupt is noted down. The hearings are short. Apply for short term loans for bad credit @ http://www.shorttermloansforbadcredituk.co.uk/ to get cash and reduce your worst credit history.

Although it is a matter of a little tension but you can get a relief from the tension of financial troubles ands now the department of the government with the name of Official Receiver to look after it. Then they look into your affair properly and take a decision whether it needs a private insolvency practitioner or not and if it simple, they only handle it. You are also interviewed by the Official receiver that can be on phone or in person. He then deals with all your creditors and you do not need to answer them. Most of the time this condition of yourâ€™s continues for a year. During this span, you can be a direct part of some company but you can operate your account in the banks.

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