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# **Learn Bankruptcy A Debt Relief Solution**

This world is a world of chances and each person is entitled for that chance. A fresh new start will be given to the people who are bound with great debts through the consumer bankruptcy system that the state provides. The consumer bankruptcy system provides such a second chance to individuals who, for any number of reasons, have become overwhelmed by the burden of debt. In a general view, the purpose of a declaration of bankruptcy is to provide people who have been in deep financial depression to move up and make a new start, eliminating all their legal obligation to repay the past debts by allowing them to pay what they can only afford even allowing them to keep some or even all their personal property.

Under the bankruptcy discharge, people who failed to pay their debts even before the bankruptcy are removed from their legal obligation to pay. Bankruptcy exemptions saves some of the properties that are owned by the debtor to be protected by law in order that creditors could not claim them.

A second chance to prove and re-establish that is stated in the federal law is given to the financially losing persons, this has been practiced ever since the 19th century. The Bankruptcy Act of 1800 was really a good news for many debtors for through this act, they are discharged from their debts plus with exemptions for certain properties as stated in the law. The United States Supreme Court in the 1934 briefly states that the Bankruptcy Act existed to "relieve the honest debtor from the weight of oppressive indebtedness and permit him to start afresh..." with "a new opportunity in life and a clear field for future effort."

The opportunity to begin freshly is the main essence of why consumer bankruptcy law has been brought throughout the times in the United states. Despite a long time of being present in the history, most people believe that the bankruptcy relief that it offers is only limited nowadays under the new bankruptcy law. This misunderstanding of most people relates to what the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 has stated.

This act has been functioning and is largely the result of a massive effort on the part of banking industry lobbyists and light on "Consumer Protection." Many Americans took advantage of the Consumer Bankruptcy Protection that is why the BAPCPA have come to an idea of adding some provisions that would help prevent the people to make some abuses to in just simply declaring Bankruptcy. The provisions included that there will be further investigation before the relief will be given and there will be some tests that would be done.

Consumer bankruptcy is truly a complicated thing and may be expensive for the consumers but then a good relief to debts await. Although there has been a decrease in the number of bankruptcy filings after the BACPA has been passed, the number of filings nowadays are somewhat proportional to the filings during the pre-BACPA. Most banking industries have made some impression in the people that the consumer bankruptcy protection has been used by a lot of people who pretend to be in financial turmoil. Since the start of the 19th century, the debt relief program of the consumer bankruptcy system never ceased to help people who are struck with financial loss.

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