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Unsecured loan After Bankruptcy: Can You Meet the requirements?

If you wish to qualify for an individual loan after bankruptcy you'll find four key areas which will determine how successful you happen to be:

1) Your credit history

2) Equity

3) Active debt

4) Moment

Let's look at each element in more detail and how they may help you increase your probability of qualifying for an individual loan after personal bankruptcy:

[Chapter 11 Bankruptcy Laws](#)

1) Credit rating: In order to be eligible for a personal loan after bankruptcy you need to meet the lender's minimum credit history criteria, provided the loan company extends loans to those that have a recent personal bankruptcy. You'll want to discover before applying for the loan: Simply ask the lending company if they consider applicants which has a bankruptcy on their credit history.

Let's suppose the lending company does. How can a person increase your credit history enough to be eligible for a personal loan after bankruptcy? [Chapter 13 Bankruptcy Laws](#)

The first step would be to order copies of the credit reports in the three major credit reporting agencies (Experian, Equifax, and Trans Nation). Next, make sure any inaccurate or obsolete negative information on your credit accounts is removed or even updated. I go into detail on this in *After Personal bankruptcy Credit Solutions*. I also explain how to legally add positive credit lines to your credit report, which is a really powerful way to improve your credit rating - but I'm going to save that for another article. [Chapter 7](#)

[bankruptcy Laws](#)

2) Equity: Another major element in obtaining a unsecured loan after bankruptcy is how much collateral you possess. Why? Because if the lender has collateral they can go after (my spouse and i. e., equity in your own home) should you default around the loan, that reduces their own risk dramatically. So if it is possible to provide collateral to the lender, it can increase your probability of qualifying for an individual loan after personal bankruptcy.

3) Active debt: You don't are looking for too much credit card debt when you apply for a personal loan following bankruptcy. If you carry out, the lender may feel there isn't the capacity (adequate income) to hide the loan repayment, because you have too many other monthly expenses to pay for (i. e., credit cards, auto payment, etc.) - therefore you could get turned for the personal loan following bankruptcy.

On that note, find out if the lender has a minimum income requirement, or debt-to-income ratio you have to meet. If they carry out, make sure a person meet their minimum requirement before you apply for the actual loan.

4) Moment: It's been mentioned that "time repairs all wounds" - well, when it concerns obtaining a unsecured loan after bankruptcy this to include true if you've developed a positive payment history as your bankruptcy.

When a loan company is deciding if to extend you a personal loan following bankruptcy, your credit report will play an important role. Generally speaking, if your credit history reflects a positive payment history for at least two years as your bankruptcy, it will undoubtedly help.

We have checked out the four major factors which will determine if you qualify for the personal loan following bankruptcy: Your credit rating, collateral, existing debt, and time. To the extent it is possible to strengthen these you increase your probability of being approved for the personal loan following bankruptcy.

Even if you cannot qualify for an individual loan after personal bankruptcy immediately, don't be frustrated! Remember, time can mend all wounds when it comes to qualifying for an individual loan after personal bankruptcy. Just make sure to spotlight increasing your credit history, pay your existing bills promptly, don't take on too much debt, and build upwards your net well worth.

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, and on the tag pages [Bankruptcy](#), [bankruptcy chapter 11](#), [bankruptcy chapter 13](#), [chapter 11 bankruptcy](#), [collateral](#), [History](#).