

Student debt - practice makes perfect

According to an article in The Telegraph last summer, thousands of students run the risk of bankruptcy each year after accumulating debts whilst at University and as many as 1 in 10 university students could be declared insolvent as a result of borrowing money to pay for increasing tuition fees and living costs.

Worryingly, some graduates have actively sought to declare themselves bankrupt in order to avoid paying back their student debts. This is certainly not an easy option. Once adjudged bankrupt, your credit record will be affected for the next 6 years, you will find it hard to get a mortgage, hire purchase or overdraft agreement, you cannot borrow more than £500 on credit during the course of the bankruptcy without informing the potential lender that you are bankrupt, your bank account will be frozen and your assets may be seized and sold for the benefit of your creditors. Although, You should note that since 1 September 2004, student loans are now exempt from bankruptcy laws and so they will not be "cleared" if you declare yourself bankrupt.

While credit has its uses it is important to stay in control. North Lanarkshire pupils are receiving advice concerning money management at school through a new debt awareness pack unveiled by North Lanarkshire Council at Dalziel High in Motherwell on 13 December 2007. It is designed to raise young people's awareness about debt and help them make informed decisions about their finances in both the long and short term.

If you're worried about student loans or have just finished university and are worried about your financial position contact Chamberlain & Co now.



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