STATUTORY DEBT RESTRUCTURING

A statutory debt restructuring procedure offers a range of advantages contingent on the specific context. Our systematic approach facilitates the preservation of your asset values and the protection of creditors' rights, ensuring a fair and structured mechanism. Notably, debt restructuring can lead to reduced interest rates, subsequently freeing up cash and fostering financial savings.

Our Stony Hill advisors work with the business owner to create a new repayment plan, allowing individuals or businesses struggling with debt to avoid defaulting and make it easier to manage their finances. This process does not involve discharging the debt entirely, but rather renegotiating the terms of repayment to make it more manageable.

Restructuring agreements avoid the immediate costs of bankruptcy but do not preclude a future bankruptcy case. Some of the approaches for debt restructuring include:

- **Developing a Repayment Plan**: Working with creditors to create a new repayment plan that makes it easier to manage debt and avoid defaulting.

- **Debt Management Program**: Seeking assistance from a credit or debt counseling agency to develop a debt management program, similar to a repayment plan in Chapter 13 bankruptcy, without the credit record showing bankruptcy.

- **Negotiating with Creditors**: Negotiating more favorable payment terms with creditors to buy time to improve financial standing.

- **Debt Consolidation**: Consolidating debt through a loan or other means to make it more manageable to handle debts without resorting to bankruptcy.

- **Debt Settlement**: Settling debts with creditors, which may be a more favorable alternative than bankruptcy in the long run.

It's important to note that exploring these alternatives can help individuals and businesses regain control of their financial lives before considering bankruptcy. However, the suitability of each alternative depends on the specific financial circumstances and goals of the debtor.