

## [Legal Services Corporation of Delaware, Inc.](#)

A non-profit law firm and community education organization assisting low-income families in Delaware  
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## [Understanding Bankruptcy \[1\]](#)

Bankruptcy is a legal proceeding in which a person who cannot pay his or her bills can get a fresh financial start. The right to file for bankruptcy is provided by federal law, and all bankruptcy cases are handled in federal court. In most cases, filing bankruptcy immediately stops all of your creditors from seeking to collect debts from you, at least until your debts are sorted out according to law.

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