

People considering bankruptcy grapple with many scary bankruptcy scenarios, leading them to focus on many unnecessary worries. One common worry is that filing for bankruptcy will lead to their account being frozen by their bank, or even that funds will be seized by their creditors straight out of their bank account. As any [bankruptcy attorney in California](#) can explain to you, this fear is mostly unwarranted.

### **Vulnerable Bank Accounts**

It is true that certain bank accounts are vulnerable and can be seized or frozen. In order for a creditor to access your account, however, they cannot simply call your bank and force your bank to hand over your money. The creditor must go through a bankruptcy court, getting a public court order authorizing access to your bank account. If a creditor chooses to pursue this route and you've hired a [California bankruptcy lawyer](#), your lawyer can fight this court order and possibly protect your bank account.

Certain funds are completely exempt from debt collection. The law recognizes that even people filing for bankruptcy need to be able to provide themselves with basic living necessities. Whether your money is in your checking account, savings account, or stashed in a CD, these “exempt funds” are just that: completely exempt from seizure.

In general, exempt funds include virtually all government payments to you, including Social Security, unemployment insurance, veterans' benefits, and public assistance. Other exempt funds include those you've received as alimony or child support, funds from workers' compensation, retirement benefits, and payments you're receiving from life insurance, a wrongful death lawsuit, or an injury lawsuit. You should consult with your [California bankruptcy attorney](#) to determine which of your funds are vulnerable and which are exempt, as these exemptions vary from state to state.

### **Protecting Your Funds**

One thing your [bankruptcy lawyer in California](#) might advise you to do is to keep all of your exempt funds separate from your non-exempt funds. For example, if you are receiving disability payments, keep these in a separate account from your working, non-disabled spouse. If you set up an account specifically for this purpose and a creditor tries to garnish the account anyway, you can take action against the creditor with the help of your attorney.

Once the court allows your bank account to be frozen, you and your California bankruptcy attorney should contact the bank and the creditor in writing, notifying them if you have any exempt funds. Hopefully, you will know long enough in advance that your bank account might be frozen by your creditors, in which case you will have time to establish a separate account for your exempt funds.