

CAN BANKRUPTCY BENEFIT YOU?

For many thousands of Americans experiencing the effects of a slowing economy, bankruptcy is the means of obtaining a financial fresh start. Bankruptcy can erase all legal obligations to repay discharged debts, and eliminate any further attempts by creditors to collect on discharged debts.

Furthermore, creditors and employers are prohibited from discriminating against individuals solely because of bankruptcy. Therefore, you need not worry about your ability to obtain credit post-bankruptcy or about being passed on a promotion because of your filing.

WE CAN HELP YOU WITH:

Bankruptcy Planning

Chapter 7 Filings

Chapter 13 Filings

Reaffirming Loans

Motions to Revoke a Discharge

Creditors' Violations of the Automatic Stay

Creditors' Violations of the Discharge

Lien Stripping

Cram downs

Any Bankruptcy Related Litigation

ATTORNEY INFORMATION



JANET M. SPEARS

Attorney

Arizona State University (B.S., 1997)
Thomas Jefferson School of Law (J.D., 2001)
Arizona State Bar
U.S. District Court, Arizona

ROWLEY CHAPMAN
BARNEY & BUNTROCK, LTD.
ATTORNEYS AT LAW

63 East Main Street, Suite 501
Mesa, Arizona 85201

(480) 833-1113

www.azlegal.com

BANKRUPTCY

In

ARIZONA

*What
You Need to Know*



ATTORNEY
Janet M. Spears

ROWLEY CHAPMAN
BARNEY & BUNTROCK, LTD.
ATTORNEYS AT LAW

63 East Main Street, Suite 501
Mesa, Arizona 85201

(480) 833-1113

www.azlegal.com

WHAT IS A CHAPTER 7 BANKRUPTCY?

Chapter 7 is commonly known as “straight bankruptcy” and is most frequently chosen by individual debtors. In this chapter the debtor is able to keep all his/her exempt assets. If there are any remaining assets, these are then sold and the proceeds are equitably divided amongst the creditors. For most debtors this chapter offers a speedy and relatively inexpensive fresh financial start.

WHAT IS A CHAPTER 13 BANKRUPTCY?

For those who wish to keep all of their assets, whether exempt or not, chapter 13 provides an alternate option within the bankruptcy code. In this chapter the debtor may pay back a portion of some or all debts over a period of 3-5 years. Because this chapter is only available to individuals with regular income, it is often referred to as the “wage-earner plan.” This form of bankruptcy is most frequently chosen by those who must use its provisions to deal with mortgage arrearages or other secured debts, and by those who have nonexempt property they wish to retain. However, the basic purposes are similar to those of chapter 7. It provides a fresh start to the debtor and distributes payments equitably to the debtor’s creditors.

EXEMPT PROPERTY *

- Homestead, up to \$150,000
- Furniture and appliances [\$4,000 ** aggregate value limit]
- Food fuel and provisions for 6 months used by Debtor and family
- Clothing [\$500 **]
- Musical instruments of Debtor and family [\$250]
- Domestic Animals [\$500 **]
- Wedding ring [\$1,000 **]
- Library [\$250 **]
- Bicycle, sewing machine, bible, burial lot, gun [\$500 **]
- Watch [\$100 **]
- Motor Vehicle [\$5,000 **]
- Wheel Chair and prescribed health aids
- Interest in retirement plan
- Prepaid rent and security deposit [Lesser of \$1,000 or 1 ½ months rent]
- Life Insurance proceeds paid or payable to relatives [\$20,000 **]
- Health, accident or disability insurance
- Insurance proceeds for damaged or destruction of exempt property
- One single bank account [\$150 **]
- Necessary tools, equipment, instruments and books used in business or profession. [\$2500 **]
- Net disposable earnings – includes pension and retirements payment until deposited into bank account [75% or 30 times the federal minimum hourly wage]
- Unemployment compensation benefits

EXEMPT PROPERTY (CONTINUED)

- Workmen’s compensation benefits
- Welfare assistance
- Child support or maintenance
- Teacher’s retirement benefits
- State employee’s retirement benefits
- School Equipment used to teach
- Social Security (in a separate bank account)

* This is not a comprehensive list of all exempt property.

** These amounts are for a single debtor.

WHY HIRE A LAW FIRM?

It is possible for a debtor to go through bankruptcy alone, but there are many valuable benefits to hiring an attorney to guide you through the process. Because of an attorney’s knowledge of the law he can help you avoid or fight additional litigation during the bankruptcy process. The assistance of a law firm can also relieve the emotional and economic stress that so many feel before and during the bankruptcy process. An attorney will help you know how to qualify for bankruptcy and will help you determine which chapter would be most beneficial to you. Because of an attorney’s expertise, he can help you maximize the amount of assets you will retain at the close of your bankruptcy case. In the end, an attorney can ease your burdens by safely guiding you to a financial fresh start.