

This is the thirty-first in my series of newsletters. Due to your great interest, I plan to continue this quarterly report for my clients.

There is so much confusion and misinformation concerning bankruptcy. Also, there are a lot of non-lawyers who engage in the unauthorized practice of law, who are seriously hurting honest, hardworking people who don't understand their legal rights.

Several clients were so stressed out before obtaining my services that they were physically sick and lost sleep. Bankruptcy gave them hope and a fresh start.

It is true that bankruptcy has credit ramifications, however, there is a light at the end of the tunnel. Several clients have gotten mortgages within two years of discharge, and car loans immediately after discharge.

As always, I am here to provide legal assistance.

SECTION 551 AND NOTICE OF PROPOSED ABANDONMENT

Section 551 of the Bankruptcy Code allows a trustee to abandon his interest in real estate... This is one of the most confusing concepts to my clients and I have received more panicky phone calls on this issue than anything else.

A Notice of Proposed Abandonment means the trustee has no interest in selling your home. He is abandoning the property from the Bankruptcy estate - - you don't have to abandon your property.

Whenever you file a Chapter 7 Bankruptcy, you must provide the trustee with a deed, mortgage payoffs, and tax assessment showing the value of your home. For example, if you own a home jointly and it is worth \$160,000 and there are mortgages for \$80,000 and \$40,000 respectively, the Chapter 7 trustee will file a Notice of Proposed Abandonment since after 10% cost of sale there is \$24,000 equity, and a couple can exempt \$34,850.

Once the trustee abandons his interest, if you are current on your mortgage you will not lose your home. You must continue to stay current on your mortgage.

WARNING: With the way the market is currently, some tax assessments severely underestimate the value of properties. Thus, you can come to Court with a tax assessment of \$160,000, but the trustee may check on the Internet and see your neighbor sold his home for \$200,000. Thus, you must get an accurate value of your property, or the trustee may not abandon his interest and may try to sell your home. This could lead to expensive litigation or conversion to Chapter 13 where you don't lose any property.

BANKRUPTCY AND RESTORATION OF YOUR DRIVERS LICENSE

Many of my clients have lost their New Jersey drivers license because they owe money on motor vehicle surcharges and/or municipal court fines.

The easy case is surcharges since once you file a Chapter 13, you go to the Division of Motor Vehicles, show them your bankruptcy petition and pay your restoration fee. This will result in a restored driver's license.

The harder case is Municipal Court fines. Even though fines are technically only non-dischargeable in Chapter 7 under 11 USC 522d 7, you better pay your fines in full to obtain your license back.

Just because you file a Chapter 13 doesn't guarantee you will immediately receive your drivers license since certain Municipal Courts will not voluntarily issue rescinding orders. If this were the case, I would have to file a Motion with the Bankruptcy Judge to rescind the rescinding order.

My best advice, unless you owe several thousand dollars in fines, is to work out payment plans with the municipal courts and comply with the orders so your license is not suspended for fines. The Chapter 13 is the process to use to try to straighten out suspended licenses, if the SOLE purpose for suspension is monetary.

If you have any questions concerning this matter or any matter feel free to contact me.

LET ME ANSWER ALL YOUR QUESTIONS

We are a full service law firm that wants to service your needs. Besides helping people with financial problems, our office helps people with all types of motor vehicle violations, work related injuries, and any other personal injuries.

As my law practice continues to grow, I hope to help you in all areas of the law where I have helped my other clients. Remember that even if I am not familiar with a specific area of the law, I work with other lawyers who are well qualified to handle these matters. Therefore, if you have any question on any legal matter whatsoever, please ask me about it.

IF YOU LIKE MY WORK, SPREAD THE WORD.

I appreciate the confidence my clients show by referring new business to me. Such referrals are my largest and best source of new clients. Please let me know if you have a friend or relative who needs legal assistance or who would like to receive one of my quarterly newsletters.

I sincerely appreciate all the referrals from so many of you over the past several years. Thank you for your continued confidence and good will.

If you would like me to speak at your organization or place of worship, feel free to contact me.

Steven N. Taieb has been Board Certified in Consumer Bankruptcy Law by the American Board of Certification since 1994. He has helped over 5000 people resolve their legal problems.

