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This is the thirty-third quarterly newsletter for my clients. Due to your great interest, I plan to continue this quarterly report.

As the economy continues to falter, over 1.5 million people filed bankruptcy in 2002 and they are projecting 1.7 million in 2003. There is still an incredible fear about how bankruptcy can affect one's credit. However, people don't realize that once they have been sued for a delinquency, their credit cannot be in good shape. Even though bankruptcy affects your credit for 7-10 years, there is a light at the end of the tunnel after a discharge is received.

The most important thing for consumers is to learn why people get into debt, and make choices to avoid debt. This can be learned by reading my book The Debt Trap: How Your Life Choices Impact on Your Financial Future. www.stopdebttrap.com. The Debt Trap provides a road map to help consumers avoid the traps that cause financial problems.

However, some people will need a bankruptcy to get a fresh start or to save their property. These are five of the ways a bankruptcy can help you.

A CHAPTER 13 BANKRUPTCY WILL ALLOW YOU TO STOP FORECLOSURE AND SAVE YOUR HOME.

If you are behind on your mortgage and your home is even scheduled for sheriff's sale, Congress allows you to pay back the arrears on your mortgage over the next 5 years to save your home. This would stop the foreclosure and allow you to reinstate the mortgage; however you must resume future mortgage payments.

A CHAPTER 13 BANKRUPTCY WILL ALLOW YOU TO STOP AN EVICTION AND ASSUME A LEASE.

Many people don't realize that a Chapter 13 allows you to pay back rent arrears as long as it is a "prompt cure", and stay in your apartment or rental dwelling. However, you must resume future rent payments.

CHAPTER 13 ALLOWS YOU TO GET BACK YOUR DRIVER'S LICENSE IF THE ONLY REASON FOR SUSPENSION IS NON-PAYMENT OF INSURANCE SURCHARGES.

Many people in New Jersey have accumulated several thousand dollars in insurance surcharges, which has resulted in suspension of their motor vehicle license. If you file a Chapter 13, you will get back your driver's license if the only reason is surcharges. If there are non-monetary issues for suspension, a bankruptcy won't get your driver's license reinstated.

Many clients also file Chapter 13 to pay Court fines. This is more involved than surcharges, but in some cases, with additional Court motions, I have been able to get rescinding Orders for suspensions.

A CHAPTER 13 BANKRUPTCY ALLOWS YOU TO SAVE A VEHICLE THAT IS IN DEFAULT OR EVEN REPOSSESSED.

The bankruptcy code gives you tremendous flexibility with motor vehicle defaults. You can either cure the arrears over the next 5 years, payoff the loan plus interest over the term of the Plan, or pay the replacement value of the vehicle plus interest over five years.

Even if a vehicle is repossessed, the creditor is obligated to give back the vehicle in most circumstances if the vehicle is adequately insured. The incredible flexibility in Chapter 13 is that if you owe \$10,000 on a vehicle worth \$4,000, you only have to pay the replacement value plus interest over the Plan instead of the entire debt.

IF YOU HAVE NO EQUITY IN YOUR HOME AND JUNIOR MORTGAGE ARE TOTALLY UNSECURED, YOU CAN STRIP DOWN THE JUNIOR MORTGAGE.

Chapter 13 Also allows you to strip down a junior mortgage if it is totally under water. For example, if your home is appraised at \$150,000 and your first mortgage is \$151,000, any junior mortgage is totally under water. This means that after you complete a Plan cramming down the junior mortgage to zero, the junior mortgage is discharged.

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 do a workshop and discuss The Debt Trap at your church, 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.