

BANKRUPTCY

When you need help to regain your financial freedom, be sure to call the Law Offices of Robert K. Johnson. We specialize in Chapter 7 and Chapter 13 bankruptcy, and we provide personalized, one-on-one counseling to determine your unique situation. We are licensed and insured, and we have more than 33 years of experience assisting clients. If you're searching for a break from creditors, want to eliminate some debts or receive extra time to pay for debts, filing for bankruptcy may be an option. If you need to file for bankruptcy, remember there are negative consequences and bankruptcy laws are complex. The Law Offices of Robert K. Johnson can help with your case and eliminate the confusion. Specializing in Chapter 7 and Chapter 13 bankruptcies, we offer experience, low fees and convenience.

Is Bankruptcy for me?

Benefits and Reasons for Filing for Bankruptcy

- Have certain debts discharged completely or sort out which debts are dischargeable from those debts which will still be owed
- Receive extra time to pay debts
- Receive a break from creditor calls while debt relief is arranged
- Have the assistance of a trustee to pursue lawsuits or other claims the debtor owns so the money obtained can be used to pay creditors
- Eliminate certain judgment liens if those liens impair an exemption

Chapter 7 Bankruptcy:

Chapter 7 bankruptcy is a process provided for under United States federal bankruptcy law by which you are entitled to a fresh start

A Chapter 7 proceeding is what persons generally mean when they say "bankruptcy." It liquidates or wipes out your personal liability on debts or obligations, with certain exceptions, primarily recent tax debts, child and spousal support. Upon filing the petition, creditors, including the IRS, collection agents and attorney are restrained from trying to collect their debts.

Chapter 7 bankruptcy may eliminate most kinds of unsecured debt. Some examples of unsecured debts Chapter 7 may eliminate are credit cards; medical bills; most personal loans; judgments resulting from car accidents; and deficiencies on repossessed vehicles.

In addition to getting rid of your debt, Chapter 7 allows you to typically keep all of your property. As long as your car and mortgage payments are current, and there is no significant equity in your property, we should have no problem making the arrangements for you to reaffirm the debt. Keep your home, keep your car, keep your personal belongings, but eliminate your debt; that is our goal with Chapter 7. The Law Offices of Robert K. Johnson may be able to use Chapter 7 to provide you with many benefits. Call us now for more information!

Common Questions of Personal Bankruptcy

Here are a few common questions many have asked with the answers from our experienced bankruptcy attorneys.

1. [Will I lose anything if I file for personal bankruptcy?](#)
2. [When do I get relief from creditor harassment?](#)
3. [Does my spouse have to file jointly with me?](#)
4. [Who knows about my bankruptcy case?](#)
5. [Will I be able to rent after I file personal bankruptcy?](#)
6. [How do I know if I should file personal bankruptcy?](#)
7. [Is filing personal bankruptcy immoral or does it make me a bad person?](#)
8. [Can I get rid of student loans or tax debts?](#)
9. [Can I get credit after filing personal bankruptcy?](#)

1. Will I lose anything if I file for personal bankruptcy?

Generally, you may file a bankruptcy and retain all of your personal belongings, including your house, your car and all household goods. The Law Offices of Robert K. Johnson will make sure that all of your personal belongings are protected. If you owe more on your car than the car is worth, the bankruptcy court will not sell your car, because after sale there would be no money left over to make a distribution to your creditors. The same goes for your home and personal property. Even if your property is worth more than what is owed on it, usually we can use the state bankruptcy exemptions to protect these items.

You may be more at risk of losing property if you don't file bankruptcy, as creditors can sue you and attach your bank accounts, garnish your wages and attach and seize your property. As a result, you may miss rent, mortgage or car payments, making it difficult to provide even your most basic necessities.

2. When do I get relief from creditor harassment?

Immediately. As soon as you come into our office, we will give you a client record number and you will then refer all future creditor calls to your bankruptcy attorney at The Law Offices of Robert K. Johnson. No more credit card payments and no more harassment immediately upon retaining The Law Offices of Robert K. Johnson.

3. Does my spouse have to file jointly with me?

If all or most of the debts are in your name only, your spouse may not have to file. Creditors usually cannot pursue a non-filing spouse, unless he or she is legally a co-debtor on the debt. Additionally, the bankruptcy should not be reflected on the non-filing spouse's credit report. The law does vary, however, so make sure you ask our office about whether or not your spouse has to file.

4. Who knows about my personal bankruptcy case?

The only parties that receive notice of the bankruptcy are your creditors, the bankruptcy court and the IRS. Generally, the bankruptcy will have no affect whatsoever on your taxes. Your employer will not be notified of the bankruptcy unless your employer is also a creditor. The bankruptcy is public record, so anyone who wants to find out could determine that you had filed. Generally, however, only you, your creditors and the IRS will know about the bankruptcy.

5. Will I be able to rent after I file personal bankruptcy?

There were over 1 million bankruptcies filed in the United States last year alone. Common sense will tell you that these people are not all living on the street. If you are presently renting a home or apartment, usually your present landlord will renew your lease without running an updated credit report, and will have no knowledge that you even filed a bankruptcy.

If you are applying for a new lease, there could be some slight difficulties that can easily be overcome. We have found that larger leasing companies usually have stricter policies regarding leasing to applicants with blemished credit. Remember that it is the blemished credit report, not necessarily the bankruptcy that is reflecting poorly on your application. Also, with no outstanding debt, you may appear to be a better risk than other applicants who have outstanding debt and blemished credit reports. We find that a good faith gesture, such as offering an extra month security deposit, may be enough for a potential lessor to overcome her concerns about your blemished credit.

6. How do I know if I should file personal bankruptcy?

*Are you calling because you are being sued??If you are being sued, and you own a home, we strongly urge you to speak with our office representative immediately about filing a bankruptcy. A bankruptcy will stop a lawsuit immediately and prevent your creditors from placing a lien on your home or garnishing your hard-earned wages.

*Is your home being foreclosed or is your car about to be repossessed? If it is, very often bankruptcy may prevent the foreclosure action or repossession from proceeding and allow you to consolidate your mortgage arrears or automobile balance and make payments on those debts over time through a payment plan designed by us with your help. If your house is being foreclosed or your car is about to be repossessed, Chapter 7 bankruptcy may not be an option. Chapter 13 bankruptcy may save your house and your car.

*Do credit cards or medical bills have you so deep in debt that it is hard for you to save for the future? If you are only paying the minimum payment on the credit card bills from month to month (generally from two to three percent of the outstanding balance), and the interest rate is only 15%, you will take about 20 years to pay off a \$10,000 debt. Do you really want to be in the same financial situation in twenty years? Chapter 7 bankruptcy can provide you with a fresh start that you are entitled to under the law and get you out of debt NOW.

7. Is filing personal bankruptcy immoral or does it make me a bad person?

Everyone is entitled to a fresh start. Many times, events occur in people's lives that cannot be expected. You may have had a sudden loss in income, a family medical catastrophe, a work injury, or any one of numerous other difficulties that would have been almost impossible for which to plan. Most of the people that we represent are good people who have encountered unfortunate circumstances and just want to get a fresh start. We understand that for most of our clients bankruptcy is the last resort. Many of our clients have a very difficult time determining if personal bankruptcy is the right decision for them.

You must ask yourself? Are the credit card companies concerned about your financial difficulties? Are you paying your creditors instead of saving for your children's education or your retirement? When is the last time you took a vacation? The Law Offices of Robert K. Johnson believes that it is very important for an attorney to provide both bankruptcy and non-bankruptcy alternatives. We believe in giving you our honest opinion as to what will put you in the best possible financial condition now and into your future. The client always comes first. Please call to speak with our office about the issues you should consider when deciding whether or not bankruptcy is for you.

8. Can I get rid of student loans or tax debts?

Any bankruptcy attorney must have a sophisticated understanding of bankruptcy law to deal with student loan and tax debts. Until October 1998, student loans were discharged through Chapter 7 bankruptcy if the first payment on the loan became due more than seven years prior to the date of filing. In October 1998, President Clinton signed a new law into effect that disqualified all student loans from discharge. The Law Offices of Robert K. Johnson can still help you obtain relief from your student loan debts through the use of Chapter 13 bankruptcy. Under Chapter 13 bankruptcy, our attorneys can consolidate your student loan debt, along with any other outstanding bills, and arrange an interest free repayment plan, so that you do not have to suffer through the burden of garnishments, harassment and other collection efforts by student loan agencies. We may even be able to reduce the amount paid to the student loan agency during the course of your Chapter 13 bankruptcy so that your consolidation payment is as low as possible. If you would like to find out more about how The Law Offices of Robert K. Johnson can ease the burden of student loan debts through the use of Chapter 13.

Tax debts are generally subject to discharge only if you file personal bankruptcy more than three years after you file a timely, truthful tax return. If your return is filed late, the taxes are generally discharged only if you file bankruptcy more than two years after filing a truthful tax return. Of course, these are general rules and you should speak with our office and we will perform a detailed analysis of these issues.

9. Can I get credit after filing personal bankruptcy?

Although bankruptcy may legally be reported to your credit report for up to 10 years, you can begin to reestablish your credit immediately. Remember that "credit" is your ability to

borrow money. Lenders consider many factors while determining whether to loan you money, but most importantly, they consider your debt-to-income ratio. You are probably visiting this site because you already have more outstanding debt than you have the ability to pay. So, arguably, you do not have credit.

Filing eliminates most, if not all of your debts, therefore reducing your debt-to-income ratio, potentially improving your ability to borrow money in the future. Some financial institutions actively solicit business from people who have filed. Lenders are in business to make money by lending you money and charging you interest. Lenders know that once you have filed, you will not be able to file again for 6 years.

Many of our clients have purchased cars immediately upon receiving their discharge orders. Many lenders have programs that provide for post-bankruptcy borrows to obtain home financing within a year or two after a discharge. Many of our clients even receive solicitations for unsecured credit cards almost immediately upon receiving their discharge. The Law Offices of Robert K. Johnson just wants to advise you to be careful not to get back into the credit card "trap".

Chapter 13 Bankruptcy:

Chapter 13 allows you to reorganize your financial affairs and the monthly payments on the principal balance of your debts, without borrowing any money. You can stop foreclosures, repossessions, wage garnishments, tax levies, IRS seizures, etc., and you can set up a court-enforced repayment plan to restructure secured and unsecured debts. Chapter 13 also allows you to keep your property.

Chapter 13 bankruptcy basics

Are you trying to save your home from a foreclosure?

Is the "repo" man looking for your car? There are benefits to filing a chapter 13 vs. a chapter 7. A Chapter 13 repayment plan may be the answer.

Chapter 13 bankruptcy is an interest-free debt repayment plan through which you consolidate your debts and make a payment on your debt over a 3 to 5 year period. While in a Chapter 13 debt repayment plan, the creditors cannot collect from you, and the creditors are required by a Federal Court order to adhere to the terms of the plan.

One very important thing to remember about Chapter 13 bankruptcy is that you must be working or have a consistent source of income for your repayment plan to be approved by the court. Not only must you be able to pay for your monthly living expenses, but you must also be able to make a payment to the court to consolidate your debts.

Debts that are generally consolidated in a Chapter 13 bankruptcy are mortgage arrears, balances on vehicle loans, student loans, credit card debts and other unsecured debts. All outstanding debts must be included in the Chapter 13 bankruptcy consolidation.

Stop Foreclosure Immediately

If your home is presently in foreclosure, a Chapter 13 bankruptcy filing will stop the foreclosure any time prior to the sale, and allow you to repay your mortgage arrears through your Chapter 13 bankruptcy. You will still be obligated to make all future mortgage payments directly to the mortgage company, but they may not foreclose to collect any outstanding mortgage payments.

Save Your Car

If the "repo" man is looking for your car, a Chapter 13 bankruptcy will also stop the finance company from repossessing your car. The past due payments and the entire balance on your vehicle loan will be consolidated, which you will pay off over the next three to five years. The vehicle finance company can no longer repossess your car, and you will no longer have to make a payment directly to the finance company. Only one payment is made, and that is to the Chapter 13 trustee. Under certain circumstances we can even recover your vehicle after repossession and consolidate the remaining balance.

Consolidate Student Loans

Although you may not eliminate student loans in a [Chapter 7 bankruptcy](#), you can consolidate them, with your other bills, in a Chapter 13 bankruptcy, and stop collection action against you. Legal Helpers will stop the collection action and garnishments related to student loan debts and consolidate your bills so that you may repay them in a plan that is feasible for you.

Protect Cosigners

Your cosigners receive the same protection that you receive under Chapter 13 bankruptcy. Through a Chapter 13 bankruptcy, we will protect your cosigners from collection activity, and the creditors must wait to be paid. So, if your friend or relative cosigned on your vehicle, and you are having trouble affording the payments, we can put your remaining balance inside a Chapter 13 bankruptcy.

Beware of Refinancing

If you have equity in your home, you can file a Chapter 13 bankruptcy, protect your equity, and repay your mortgage arrears over as long as three years. Refinancing or taking out a second mortgage may just create an additional mortgage payment that you cannot afford, instead of repaying your mortgage arrears through a Chapter 13 bankruptcy.

Why eat up your equity with another mortgage?

You should explore all of your options, and make sure you contact us along the way so we may advise you of your legal rights. When you have quality legal representation, you become knowledgeable about your rights, and become less vulnerable to people trying to take advantage of you in a time of distress. Please remember that we offer a free consultation. Explore [Chapter 13 bankruptcy](#) as an alternative to a high-interest rate equity loan against your home.