

Law Offices of Sklar Smith- Sklar

The **Law Offices of Sklar Smith-Sklar**, located in Ewing, New Jersey and Langhorne, Pennsylvania understands that there are numerous reasons individuals or families run into financial difficulties, including temporary layoffs, lost of jobs, death of a spouse or just to many credit card purchases. Financial problems can be emotionally draining and seriously damage family relationships. Although the idea of bankruptcy might initially seem distressing, it is a way to protect individuals and their assets. **The Law Offices of Sklar Smith-Sklar** can advise you in choosing your best options and review with your rights under the new bankruptcy laws.

The following **frequently asked questions** are intended as a guide to understanding the bankruptcy process. However, this outline contains only a small portion of what must be considered when filing for bankruptcy protection. It is very important that you obtain legal advice regarding your particular situation. At the Law Office of Sklar Smith-Sklar, the initial consultation is free.

What debts may be discharged in a bankruptcy?

The policy behind the bankruptcy law is to allow an honest debtor to obtain a fresh start without continued financial burdens. In a Chapter 7 bankruptcy, most debts are dischargeable including personal loans, medical bills, credit card purchases, cash advances, and many judgments. However, there are exceptions including taxes (in some cases), alimony, child support, student loans, criminal fines, debts related to drunk driving, monies owed to a pension plan, and certain debts incurred within 70 days of filing the petition. It is not advisable to take trips and charge it before you file. Moreover, it is not smart to go on a shopping spree before you file either. These are the types of actions that the new bankruptcy code is trying to eradicate. An individual contemplating bankruptcy must know what is dischargeable and what is not prior to filing.

What property may I keep?

Debtors often worry that they will lose personal possessions and household goods when they file bankruptcy. Most Chapter 7 cases are no asset cases. That means the debtors give up nothing to the trustee, unless they owe back child support or alimony/maintenance. However, when the debtor's assets exceed in value what the debtor may legally keep, that property may be subject to seizure and distribution by the trustee. If the Debtor has assets over the exemption list then a Chapter 13 is a good idea, assuming they want to retain those assets. The debtors must pay through their Plan the resale value of the assets that were not included on the exemption list. Assets which the debtor may keep are known as exempt property or "exemptions". Other types of property need not be exempt because it is not owned by the debtor. For example, a leased car is not part of the debtor's estate. The debtor can continue to make payments on leased personal and real property in order to continue possession. If the lease is not

assumed, the property will be given back to the lessor, and any money owed on the lease will be declared as an unsecured debt in the petition.

What should I do to prepare for my Bankruptcy filing?

Before you can file bankruptcy under either chapter 7 or chapter 13, you must complete credit counseling with an approved agency within 180 days PRIOR to filing the bankruptcy. There is a provision for emergency situations, but you still must prove that you tried to obtain the counseling class within the last 5 days of filing. Thereafter, you are required to take the class and file a certificate of compliance within 30 days after filing of the bankruptcy petition. You are also required to attend another counseling session to learn personal financial management. After completion of the course, you will submit proof to the court that you have fulfilled this requirement in order to get a bankruptcy discharge wiping out your debts.

The debtor is also required to submit at least their current tax return to the Trustee. Moreover, all debtors are required to provide proof of their last six months of income. Debtors are required to produce copies of their pay stubs, pension, or social security income. In many cases, the Trustee will further request that a debtor provide him with his last three years of tax returns.

Do I lose any of my rights, such as the right to vote, by filing bankruptcy?

No. Bankruptcy is a civil, not a criminal proceeding. You do not forfeit any of your civil or constitutional rights by filing a bankruptcy. Therefore, neither a utility, a governmental unit, nor your employer may discriminate against you because you have filed bankruptcy. But, if you discharge a utility bill then you may find that you are subject to a "security deposit" when you apply for new utility service.

How does filing bankruptcy affect my credit rating?

Initially, your credit score may drop when you file for bankruptcy. A chapter 13 is an open bankruptcy for 3 to 5 years. During the pendency of that bankruptcy your credit score can increase so long as you keep your Plan payments and monthly mortgage payments current. It is not unusual that a debtor obtain a new loan during their chapter 13. **Warning**-you must obtain court approval for any new loans, sales of assets or purchases or new large-dollar assets. Make certain that the new loan does not affect your ability to pay your current obligations.

The **Law Offices of Sklar Smith-Sklar** offer free consultations to those interested in discussing alternatives to and options under the new bankruptcy laws. You may be surprised to learn that bankruptcy is your best and most cost-effective option in protecting assets and preventing foreclosures.

Another important consideration when choosing bankruptcy as your option is dealing with those **aggressive creditors**. The **Law Offices of Sklar Smith-Sklar** can help you deal with your creditors before, during and following bankruptcy proceedings. We will

notify your creditors that you are protected by laws that prohibit harassment and embarrassment. In fact, if you have a lawyer, bill collectors may contact only your lawyer.

At the completion of your bankruptcy proceedings, you are now provided with a **fresh start**. You are no longer responsible for your debt since the court has discharged it. At this time, your creditors may no longer try to collect any discharged debts. Filing of a bankruptcy will be noted on your credit for up to 10 years.

When you need the protection of the bankruptcy laws, contact **the Law Offices of Sklar Smith-Sklar at (609) 882-9800** for a free consultation.

Additionally, the **Law Offices of Sklar Smith-Sklar** also handle **immigration** cases. We handle most immigration needs and can help secure a green card, work visas, labor certifications as well as stop deportation proceedings. With the changes that are going on in the field of immigration law, it is important to have a firm that can keep up with those changes. At the **Law Offices of Sklar Smith-Sklar** we can counsel you on an individual basis with respect to any new regulations.

Licensed in both NJ and PA their attorneys can help with **motor vehicle** problems (e.g. drunk driving, driving while suspended, liability insurance issues and others) **personal injury cases, and criminal matters**. A full service legal practice that is committed to providing personal service, the **Law Offices of Sklar Smith-Sklar** look forward to helping you with all your legal matters. Protect yourself against civil suits, criminal charges and most of all protect your legal rights with the help of the **Law Offices Sklar Smith-Sklar**. We are located at 1901 N. Olden Ave. Suite# 22 Ewing, NJ and serve both NJ and PA residents.