

Tips For Getting Out of Debt

If you are behind with bills but not overwhelmed by debt and collection calls you may be able to get by without filing bankruptcy. Try these strategies:

- Keep a budget. Track not only what you spend, but also upcoming expenses and regular bills you must pay.
- Downsize your life style. Think about selling your home or car and living more simply for a while.
- "Freeze" your credit cards. Use cash or your ATM or debit card to "pay as you go."
- Shop carefully. Compare prices on everything you buy and consider buying generic brands or in bulk.
- Start saving. Even low-income households can save regularly to build an emergency fund to fall back on when times get tough.
- Call creditors and ask for a reduction in interest or to modify your mortgage.
- Call Sterling Bankruptcy Center to help you with loan modifications, credit repayment plans and other non-bankruptcy alternatives.



You deserve a fresh start. Call the attorneys at Sterling Bankruptcy Center today to learn more about your options.

Sterling Bankruptcy Center

Attorneys & Counselors At Law
Bankruptcy Specialists & Debt Resolution Experts



Janet M. Ziulkowski, Esq.
Attorney At Law

Specializing in:

- Individual and Business Bankruptcy,
- Removal of Second Mortgages,
- Mortgage Modifications,
- Debt Reduction and/or Elimination,
- Workouts, and
- Other Non-Bankruptcy Alternatives.

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We are a debt relief agency. We assist individuals and business seek relief under the U. S. Bankruptcy Code. This brochure is not intended as legal advice and does not create an attorney client relationship.

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WE CAN HELP!

MAXED OUT ON CREDIT?



HOUSE IN FORECLOSURE?



IT'S NOT TOO LATE!

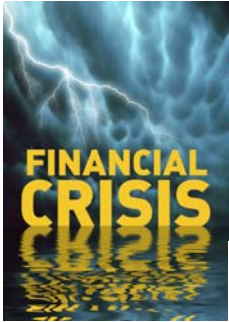


CALL TODAY!

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You Have Options



Even if you are in financial crisis, you have options. Bankruptcy is an option if you are facing serious financial problems. Through bankruptcy, you may be able to cancel debts, save your home from foreclosure, remove a second mortgage from your home, stop collections calls and get a fresh financial start.

Time Matters

When debt gets overwhelming, the worst thing you can do is nothing. Don't wait until your house sells at foreclosure or your paycheck is garnished by a creditor. Take your life back into your own hands and let the experienced attorneys at Sterling Bankruptcy Center advise you on both bankruptcy and non bankruptcy options.

When To Consider Bankruptcy

You should consider bankruptcy when you cannot pay your bills, your mortgage payment is behind, or when a particular crisis such as job loss, illness, or accident makes the future payments of your bills unlikely. Begin thinking about bankruptcy before your house sells at auction or when you receive a summons and complaint. If you received a judgment against you, bankruptcy may be used to stop the creditor from garnishing your wages and bank accounts or seizing or placing liens on your property.

What is Bankruptcy?

Bankruptcy is a legal proceeding in Federal Bankruptcy Court, in which you will seek a "discharge" of debt when you cannot pay your bills. As soon as you file bankruptcy, an *automatic stay* typically stops your creditors from attempting to collect your debts, this includes any act by a creditor to repos-

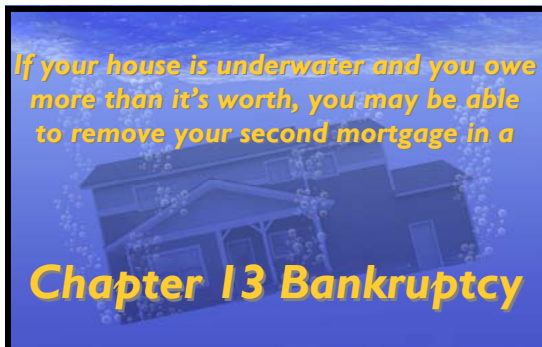
sess, garnish or foreclose upon your property. There are two main types of bankruptcy for individuals and business owners: Chapter 7 and Chapter 13.

Chapter 7 Bankruptcy

In Chapter 7 (straight bankruptcy), the bankruptcy court forgives most debts that are not secured by assets or property (such as your house or car). In addition, you are allowed to retain certain "exempt assets." The allowable exemptions are very generous and in most cases you will get to keep all of your property. However, under Chapter 7, a court-appointed trustee may take possession of your non-exempt property, arrange for its sale or liquidation and is responsible for paying as many of your debts as possible with the proceeds. (Not all debts can be erased by bankruptcy.)

Chapter 13 Bankruptcy

Chapter 13 (reorganization bankruptcy), may be your only choice if you have the income to repay your debts after all of your reasonable and necessary living expenses are paid. Filing for Chapter 13 bankruptcy allows you to pay your debts in installments, (many interest free) usually over a three to five year period. If you are behind on your mortgage and it has not sold



at a foreclosure sale, Chapter 13 can save your home and allow you to catch up on your mortgage payments. In some circumstances Chapter 13 also allows you to strip or remove your second mortgage provided your house is worth less than you owe on the

first mortgage. Many people who want to keep property, such as a house or car, turn to Chapter 13.

What Can I Keep?

In most cases, everything. The law allows you to keep certain exempt property, such as:

- \$20,200 in **equity** in your home (equity is the value of property minus the amount you owe on mortgages and other liens);
- \$3,225 equity in your car;
- \$2,025 in things you need for your job;
- \$10,775 in household goods;
- \$1,350 in jewelry;
- \$1,075 in any property, plus up to \$10,125 of any unused exemption from your home;
- Social Security benefits, unemployment, VA benefits, public assistance, child support, alimony, IRAs, pensions, regardless of the amount.

The exemption amounts are doubled when a married couple files together.

A Personal Decision

Bankruptcy is a personal decision. Most people file bankruptcy because of crushing debts, often caused by financial hardships such as unemployment, lack of adequate insurance, catastrophic medical expenses, marital problems, overextended credit or, more rarely, out of control spending. Bankruptcy laws were passed in order to give people a fresh start, and to give debt-burdened consumers an organized, systematic way of paying back creditors. If you're over your head in debt and you can't see being able to repay all the money you owe, you may be interested in filing bankruptcy. If you can pay back creditors but need to get out from under wage garnishments, repossession threats or a home foreclosure, you may want to consider bankruptcy. Call Sterling Bankruptcy Center today to learn more about your options.

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