DISCLAIMER PAGE

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For more information, please contact:
Jeanne E. Hovenden at Chesterfield Bankruptcy Law
Telephone: 804-706-1355
Fax: 804-796-6775

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Introduction

When I was younger, before my professional identify had taken shape, and I knew the mark I wanted to leave on this world, I met several people touched by huge financial challenges. These were good, hardworking folks who, through bad luck or careless error, found themselves struggling to make ends meet.

Their financial problems bled over into other areas of their lives, prompting tears, embarrassment, the breakdown of relationships, and depression. Seeing these proud people in such a state left an indelible impression on me and inspired my journey to be of service.

If you've been touched by a financial crisis, or you've seen a loved one dragged through the ringer, you understand.

For instance, take John and Becky. They had just closed on their dream house and moved in with their twin five-year old's and pet Cocker Spaniel, Elsa, when two devastating setbacks hit them within just eight days. First, Becky, the primary breadwinner, wrenched her back while unpacking a heavy box from the move and found herself out of work for at least 6 months. Then John discovered that his business partner had cheated a vendor, who decided to sue for six figures. John hadn't yet set up a corporate entity for his partnership, so suddenly all his personal assets were at play.

John and Becky had to confront the very real possibility that they'd lose their house, and they'd have to move back in with Becky's mother.

Or what about Bernice, a 72-year-old retired woman who, after tragically losing her partner of 40 years to cancer, was victimized by insurance fraud, which depleted her savings and effectively wiped out her safety net.

Mandy, a 26-year-old entrepreneur, racked up $50,000 in credit card debt trying to get her online business off the ground. Barely able to keep up with the monthly payments, she developed crippling anxiety from the harassing calls from debt collectors and grew afraid of ever answering the phone.

I became a bankruptcy attorney to serve people like these – good people who need protection from negative forces that they do not understand and do not have the skills or knowledge to control.

Ever since I started doing bankruptcy work twenty-six years ago, I've discovered it to be not just a rewarding pursuit but also a spiritual one, because I see it as a tangible opportunity to give back to the community and help people escape pain.

Being a successful bankruptcy attorney requires more than just intellectually understanding the law and having the skill to identify and deploy the right strategies at the right time to fight creditors and protect essential assets. This work also requires the ability to empathize and to connect with people.

My clients have been through many and varied heartrending situations, and I am proud to be able to provide people the connection and reassurance they need.

Why do I have so much passion for helping people with bankruptcy?

Every day I come to work is a great day. I get to meet hardworking, earnest and dedicated people who are stuck but also hopeful. My clients come to me in pain. They are ashamed that they can't pay their bills. They are frustrated that they can't support their families and give their children the lives they deserve. They are scared socially, dreading upcoming high school reunions or chance encounters with ex-spouse at a supermarket. And they are exhausted from the harassing calls and scary letters from creditors.

Many of my clients live in a perpetual touch-and-go state. It's month-to-month or sometimes even day-to-day.

That I know how to relieve their pain, stop the phone calls, and reclaim their natural dignity makes what I do both an honor and a privilege. It’s why I get up the morning. It’s why everyone on my team busts their humps for our clients.

What I do in a nutshell: Offer good people a release from stress, shame, fear and uncertainty.

When my clients first see me, they get instant relief in that very first meeting. Why? It’s not necessarily because of anything I say or do – the strategies I lay out for them, the action plan, etc. Rather, the relief comes because *I sit there and listen* attentively.

In my opinion, people these days are starved for empathy – for the need to “feel understood.” This is especially true for folks who’ve been through the wringer, who’ve confronted demons in multiple areas of their lives – financial, medical, spiritual, and psychological.

I listen to them and just let them share their stories. I always keep a box of Kleenex handy, because this cathartic retelling often leads spontaneously to tears. These are the tears of finally being able to express oneself fully after months or years of holding back and “sucking it up” to put on a brave face to the world.

All too often, when people come to others for help with problems, the response tends to be intellectual and distant. We sympathize, diagnose, tell stories about ourselves, and offer “practical” solutions. Obviously, at some point, we need to get to the nuts and bolts. But first, the person in pain needs to feel they are understood.

If you're raising two kids at home with another on the way, and you're in credit card debt, and then you get into a car accident… sure, you want practical insight. But you also need someone just to acknowledge the scope of your challenge. And when I do that, I immediately notice a shift and a sense of release, because my clients know they're no longer dealing with this alone and in a vacuum.

Chesterfield Bankruptcy Law: a unique personal, approach

Our team has worked with a diverse roster of clients to end creditor harassment, rekindle hope and give people their freedom back. We will also help you raise your credit score when you have completed working with us. I know you have questions, so let's get to those.

1. Is bankruptcy right for me? How will I know?

Here's a simple test.

Debbie and Shonda both accrued serious credit card debt. I separately asked each one: "if you could no longer use *any* of your credit cards, starting today, would you be able to pay them all down within a reasonable timeframe?"

Debbie, who's struggling just to make her monthly minimums, says no. I would suggest she give strong consideration to the bankruptcy option.

Shonda, on the other hand, says that she *could* pay down the cards, but it would take planning and discipline. I would probably tell Shonda to explore other options before choosing bankruptcy.

2. Why do I need help with bankruptcy, or can I do it myself?

Rodrigo was a natural born entrepreneur – a self-made success story who started his own auto shop and built it from the ground up. But then a customer sued the business after an accident, claiming that Rodrigo's employee botched a brake inspection. Suddenly, Rodrigo found himself in financial duress, and he chose the bankruptcy option. Rather than hire a lawyer, he defaulted to the approach he knew best: "do it yourself" (DIY).

The problem is that winning a bankruptcy case is a lot like launching a rocket ship successfully into outer space. There are myriad technical details you must know that you just can't learn on the fly. Lack of knowledge and finesse can destroy an easily winnable (by a qualified bankruptcy attorney) Chapter 13 or Chapter 7 case.

For example: a federal statute governs bankruptcy proceedings, but local and state laws and regulations also help determine how cases play out. Intrepid Rodrigo might find a website that explains some technical details about how to file for bankruptcy, and he then uses that information as his guide. But that site may only have *national* relevance, not relevance to his specific state or jurisdiction. A judge in one area may have a different philosophy than a judge one county over. It helps to know that!

After all, filing for bankruptcy is not a “plug and play” situation. It’s not like the judge will say: “You own XYZ assets, and you owe ABC debts; therefore, according to this special formula, here’s exactly what you’ll get.” There’s both a science *and an art* to the process. An experienced bankruptcy attorney who knows the in's and out's of the local system can maximize asset protection and get you better results.

A "DIY" adherent like Rodrigo might object and argue "at least I'll save on legal fees." But this, too, is short-sighted. If you go about the bankruptcy the wrong way – even the *slightly* wrong way – you could face extra expenses and the loss of assets that you could have preserved, not to mention loss of peace of mind.

A DIY-er like Rodrigo also might not be aware of certain resources at his disposal. For instance, maybe creditors have been coming into his shop after hours, hounding him or leaving nasty messages. Our team could leverage laws like the Telephone Consumer Protection Act (TCPA) and the Fair Debt Collection Practices Act (FDCPA) to sue these wrongdoers and collect money to pay for Rodrigo’s legal and filing fees and beyond.

Finally, think of bankruptcy holistically. This is not a “one and done” project but rather a stepping-stone to a better life. You have one opportunity to get this right and break the downward spiral.

When someone like Rodrigo comes to us, we help him discharge his credit card debts and free up resources to put groceries on the table for his family. It’s possible for bankruptcy to give you that clean slate you desire, but put pride aside, and do this the right way!

3. Shouldn't I have to pay my debts?

Our culture teaches us that truly resourceful people somehow find ways to "pick themselves up by the bootstraps" when things go south. Obviously, there is a lot to be said about self-reliance, resiliency, and agency – all important and worthy values.

Most clients I see *do* possess those values, and in spades. Sadly, though, they don't appreciate the extent to which external, negative forces have challenged them. Instead, they blame themselves.

I see this as tragic for a few reasons. First, from a practical point of view, if you blame yourself for your debt, you may be inclined to accept bad treatment from creditors, the loss of your vehicle and other bad results as "punishment" for your behavior. Second, when you blame yourself, you're unlikely to act aggressively to defend your interests and more likely to fall into apathy or depression, which will make dealing with your debt that much harder. Finally, this attitude is likely to yield only short-term thinking that will fail to protect your long-term financial interests.

Consider Sal, for instance, a 48-year-old construction worker raising a family of three. Sal fell off a slippery ladder while painting his house and smashed four bones in his spine, making him unable to work. A bad reaction to his pain medication led to several additional hospitalizations and $60,000 in surprise hospital bills that his insurance decided not to cover. Even if you accept the proposition that it was partially Sal's "fault" for slipping off the ladder, that's a huge, outsized price to pay for a momentary lapse of attention.

Or what about Kassidy, whose husband deserted her on the eve of their third wedding anniversary, leaving her to raise their two children on her small bookkeeper's salary?

Or how about Paul and Catalina, victims of a financial scam that left them underwater on their house with no recourse in the U.S. courts, since the scam artists worked anonymously overseas?

Public perceptions to the contrary, most people in need of bankruptcy did not get into financial trouble by carelessly racking up credit card debt while shopping and leading hedonistic lifestyles. They just encountered bad luck or bad timing. Or maybe they made a few decisions that, in retrospect, were financially unwise.

In any case, let go of the guilt, and get the help you need and deserve to move beyond what's happened to you.

4. Should I get help from a debt settlement company?

Let's face it: most of us, when given our druthers, choose the path of least resistance. It seems intuitively easier to call a debt settlement company and have them "take care of it" than to find a qualified bankruptcy attorney and go through a whole legal process.

This tempting shortcut, however, can lead to all sorts of chaos.

Consider Kelly, who ran up $35,000 in credit card debt trying to launch an online art store while she was working a retail job at Costco.

After Kelly realized that she was subconsciously rearranging her life to avoid looking in the mailbox (so she wouldn't have to see the big fat bills from the credit card companies), she knew she needed to take action.

Rather than call an attorney, she followed the path of least resistance. She called a debt settlement company she heard about from a friend of a friend. The company promised that it would save her 50 percent on her debt repayment. Sounded good!

But what Kelly didn't realize was that the company's fee would be $5,000. This was paid BEFORE any money went to pay a single debt. It *seemed* like she was putting that $5,000 towards whacking at her debt.

In reality, that $5,000 went right into the settlement company's pockets.

Kelly wasn't making progress on her debt; she was just making the settlement company richer.   The settlement company offered no help when a creditor decided to sue her.

After taking a judgment, that creditor filed to garnish her Costco wages, she knew it was time to get serious. The bankruptcy option freed her of her consumer debt and allowed her to escape the seemingly endless cycle.

5. Should I use a consumer credit counseling agency instead of bankruptcy?

Credit counseling businesses are not completely ineffective. But their powers are limited. For instance: they can’t negotiate with the Internal Revenue Service (IRS); they can't help with your mortgage (and help you keep your house); and they don’t even work with all credit card companies or companies that make personal and payday loans.

They can, however, create a workable debt management plan for you. In some situations, particularly if your debt is mild and confined to credit cards, opting for a counseling service might be a solid idea. You do still need to find a trustworthy service and execute the debt repayment plan. And in any case, it doesn’t hurt to speak with a qualified bankruptcy attorney first to get a lay of the landscape and understand your options.

The key is to use the most appropriate tool for the situation. When this is an appropriate option, we will recommend this to you.

6. Will filing for bankruptcy stop creditors from calling me or bothering me at work?

There is a watershed moment in the bankruptcy process that effectively “jolts the heavens.” It’s called an *automatic stay*. As soon as you file for bankruptcy, this stay instantly prevents creditors from directly trying to collect from you. They are frozen out. No calls. No statements. No letters. No wage garnishments. If a creditor has started a wage garnishment or lawsuit, that’s immediately stopped.

In Aniqua’s case, most of her creditors respected her stay, but one did not. Instead, he got really angry and started calling her at work and leaving rude messages on her voicemail. Aniqua had grounds to sue the creditor and recover damages. In other words, not only was the creditor compelled to stop, but he now also faced a judgment at federal district court or in the bankruptcy court.

I love working for people like Aniqua – folks contending with harassment and bad treatment – because I know *exactly* how to stop such atrocious behavior and punish it in the courts, if necessary. If a creditor violates a law like the Fair Debt Collection Practices Act (FDCPA), we can and will demand justice.

7. What's right for me: Chapter 7 or Chapter 13 bankruptcy?

Let's quickly go over these terms. Chapter 7 offers borrowers a chance to *liquidate* many of their debts, discharging obligations to

pay credit cards, hospital bills and other debts that are unsecured. Chapter 7 also takes care of deficiencies you owe (e.g. as a result of a vehicle repossession, eviction, or foreclosure.)
Chapter 7 allows you to keep certain types and amounts of assets like household goods, vehicles, wedding and engagement rings, retirement accounts, for which you can claim various exemptions under state or federal laws.

Chapter 13 bankruptcy, on the other hand, gives you a chance to *reorganize* your debts, so you can pay them off in an easier, more strategic fashion. In some ways, Chapter 13 is akin to debt consolidation, but it's superior to that approach in that you don't need to negotiate with creditors. Instead, once the court approves the plan (assuming it follows the bankruptcy code's requirements), creditors can't intervene or object.

After the court signs off, a person called a *trustee* collects your payments and then divvies them up to pay your creditors. The Chapter 13 option can be particularly useful if you're seeking to save a large asset, such as your home.

To prevent foreclosure if you haven't been paying your mortgage, Chapter 13 lets you create a 3– to 5-year repayment plan to catch up and get current. Chapter 13 can also be useful for dealing with IRS debt.

Rachel developed a medical condition that sapped her strength (and earning power) and slowly fell into debt and behind on her house payments. She used Chapter 13 instead of Chapter 7 to save her home and landscaping business assets by paying some money to her unsecured creditors. Had Rachel chosen the Chapter 7 liquidation option, she would have gone over her allowed exemptions.

8. If I file for bankruptcy, am I destined to lose my house?

The bank cannot take your house, even if you are filing for bankruptcy, as long as you keep paying your mortgage payments. But what if you fall behind? And what if you need to file for Chapter 7 protection?

In either case, here are some steps to take. First, you may need to get current on your house payments. Alternatively, you might ask the bank to modify your loan or work out a rehabilitation plan with your lender. Another strategy is to opt for Chapter 13 bankruptcy, which can allow you to make back payments over the course of a five-year repayment plan.

9. Bankruptcy means I have to surrender my car, doesn't it?

The answer is "what do you want to do?"

Let's say Jennie owes money on her Toyota Prius, which she bought because she wanted to help the environment in her small way. She could keep her car because she had the money to make ongoing payments if the rest of her debts were eliminated.

Douglas, however, had too much equity in his motorcycle. If he filed for Chapter 7, he would lose the vehicle. He opted for Chapter 13 protection instead – this strategy let him keep his beloved hog.

Then there was Marie, whose car was a lemon – every week there was something else that went wrong with it. She could not finance another car because that loan was on her credit report and she owed a lot more than the car was worth, preventing her from trading it in. Bankruptcy allowed her to surrender the car and not owe any deficiency on it. She was able to finance another more reliable vehicle because she filed bankruptcy.

10. After bankruptcy, will I ever be able to finance a home or vehicle again?

Here's an astonishing fact: filing for bankruptcy can actually ***boost*** your credit score.

You read that right. If that sounds too good to be true, consider that credit bureaus look at what's known as "debt to income ratio" when determining a borrower's level of risk. When you get rid of your unsecured debt via bankruptcy, this ratio improves, therefore, your credit score also can improve. This isn't to say that bankruptcy is magic – that you will suddenly be able to buy your dream home or vehicle at amazing rates.

But the idea that bankruptcy is a kind of death sentence for your credit rating or your ability to secure loans or buy property is a myth. Bankruptcy is not forever – it's a temporary condition.

Jason, for instance, really needed a car. His 3-year-old went to daycare across town, and his job was located clear across town in the exact opposite direction. Plus, he needed to drop off and pick up his child at his ex-wife's house 20 miles away every week. Without a car, his life would grind to a halt, literally.

After filing strategically for Chapter 7 bankruptcy, Jason qualified for a car loan almost immediately after the discharge. His rates were not ideal, but he got the car. He also qualified for a credit card.

With proper financial planning and dedication, Jason hiked his credit score back to 720 just 11 months after he filed for bankruptcy. He even managed to land a promotion that allowed him to telecommute and thus cut his weekly driving effectively in half.

Jason's story of rebuilding quickly after bankruptcy is no anomaly. And that's because bankruptcy is *not* a scarlet letter you must wear for life. It’s quite the opposite – a mechanism designed to give borrowers like Jason a *fresh start* and a chance to turn life around.

11. Does Chapter 13 only reorganize my debt? Or can it also discharge some of it?

When learning about Chapter 13, many people hear the term “reorganization” and imagine that the process simply pushes debt around, much like a snowplow doesn’t melt snow so much as it “reorganizes it” to make driving easier.

That’s not the case!

In fact, the process can significantly discharge your unsecured debt. Prior bankruptcy laws called upon judges to order people to pay 20% minimum to creditors holding unsecured debt. But changes to the law in 2005 revealed that there was no basis in the bankruptcy code for this 20% minimum. Since then, judges have often resolved Chapter 13 cases in which unsecured creditors get *nothing*.

12. Will my retirement account be taken to pay my debts in a bankruptcy?

Warren had accrued $40,000 in IRAs and 401(k) plans after decades of saving. But when doctors diagnosed his wife, Sarah, with fibromyalgia and an immune system disorder, he raided these retirement accounts to pay for her medical expenses. In addition to paying fees and taxes for this early withdrawal, he and Sarah found themselves unable to keep up with other bills and thus accrued credit card debt. Eventually, they had to file for bankruptcy to right the ship.

Stories like Warren and Sarah's are tragic because retirement accounts, such as pensions, IRAs and 401(k) accounts, are considered exempt assets. In other words, creditors cannot go after what you've saved in those accounts.

Frustratingly, many people don't realize that they have this protection until after they've drained their retirement savings to pay unsecured debts. Had they known or talked a bankruptcy lawyer first, Warren and Sarah could have discharged ALL their debts and kept ALL their retirement money.

13. Won't everyone who knows me find out if I file for bankruptcy?

Jamie is a very private person from a "respectable" family, and she worries about what might happen not only to her reputation but also to her career prospects if she chooses bankruptcy.

Here's the truth: Jamie's bankruptcy *will* go on the public record.

But I would argue that her concerns might not be as warranted as she fears. First of all, for someone to find out about the bankruptcy, he or she would have to look actively for a record of it. Frankly, most people are too busy or preoccupied with their own concerns to do that.

Secondly, and much more importantly, bankruptcy is not to be stigmatized! Bankruptcy is an honorable option, used to give worthy people a fresh start after hard times.

I would also suggest to Jamie that what other (needlessly judgmental and catty) people think about her is far less important than her ability to clear her debts, stop living in fear of the phone and mailbox, and create a path to a better financial future.

14. Can bankruptcy discharge a debt to the IRS? If not, what are my options?

Most people believe that bankruptcy cannot wipe out IRS debts. In many cases, this conventional wisdom is correct. However, that's not always the case!

Consider Angel, who ran up a debt to the IRS while putting himself through school. Ironically, Angel was so afraid of accumulating crushing student loans that he chose to fall behind on his taxes rather than risk being burdened with a loan.

A bankruptcy attorney would look at Angel's situation and examine the details of his finances, his debts and the relevant laws to determine whether he might meet the standards to discharge at least some of his IRS debt through bankruptcy.

Even if he couldn't get his desired result this way, he might still opt for bankruptcy to reorganize. Filing for Chapter 13 can be an excellent way to manage a priority creditor like the Internal Revenue Service. Angel might establish a payment plan that lets him preferentially pay the IRS first, ahead of unsecured debt owed to credit card companies, preventing the IRS from garnishing his wages or taking his assets.

15. Why should I work with your bankruptcy firm?

As someone in a financially vulnerable position, you may have been taken advantage by settlement companies, harassed by creditors, or blindsided by a huge medical bill or unexpected layoff. You are in a conservative mood, and you want and need to be cautious about your next steps. Why should you choose *our* team as opposed to another qualified bankruptcy law firm?

Here's what distinguishes what my team does – for our clients:

1. **We are attentive listeners. Your concerns are our priority.**

We see it as our job to listen to and *really "get"* our clients – where they're coming from, what their values are, and what they want to achieve.

2. **We explain everything in clear, plain, action-oriented language.**

   Bankruptcy can be a wildly sophisticated process. The terms and ideas used can sound like a foreign language to the untrained. We translate “bankruptcy-ese” into normal human language, and we are extremely good at what we do. We’ve seen it all, and we understand exactly how to leverage the law and exploit nuances in the process (in an ethical fashion) to get our clients the results they need.

3. **We help our clients fight back against creditors.**

   Creditors who do not follow the law and who bother our clients do not make us happy. We defend our clients' rights. Period. Full stop.

4. We provided ongoing assistance.

We can help you rebuild your credit score and equip you with resources to stay self-sufficient and thrive after bankruptcy.

We see bankruptcy law as more than just a job. It's a calling. It's a call to service, a call to help the unfairly disempowered, a call to restore people's dignity and freedom. We have the facility, passion and track record to help you win.

5. Bankruptcy is ALL we do.

Unlike many other law firms, we don't dabble in bankruptcy, and family law, and traffic offenses. We have more than twenty-six years of working with the trustees, judges and creditors attorneys. We have built strong relationships with them and we know the bankruptcy laws very well.

Your Next Steps

Thank you for spending time with me and letting me pull back the curtain on the bankruptcy process and lay to rest some common misconceptions about how it works and what you can expect from it.

In exchange for your investment in time, I'd like to reciprocate and offer you a free gift. Normally, I charge $100 for a 30- minute consultation with prospective bankruptcy clients. But if you call our offices and mention this book, that fee will be entirely waived.

Come in and talk to me. We will dig down together and figure out what's *really* happening with your debt and what strategies you can use to reclaim your future and your financial freedom.

Please call our offices to schedule this private, completely confidential consultation. It won't cost you a penny, and but the benefits for your peace of mind will be priceless. Looking forward to hearing from you shortly,

Jeanne Hovenden

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