

## A CALL TO ACTION: HELP INCREASE VIRGINIA'S BANKRUPTCY EXEMPTIONS.

Fact: In a given year, more people will file for bankruptcy than will file for divorce. Think about that for a moment. Everyone seems to know at least one person who has gone through a divorce or is in the midst of a divorce. My point? Your family members, friends, neighbors, and friends of friends have or may need to file for bankruptcy at some point. The grim statistics that you hear these days regarding people filing for bankruptcy are not mere numbers or invisible figures. And these folks filing for bankruptcy come from all walks of life. They are teachers, federal employees, lawyers (that's right, not all lawyers are wealthy and some lawyers even have to file for bankruptcy), folks who have recently divorced, retirees, etc. You would be surprised to learn just how many faces you recognize! In fact, it is very likely that you know someone who did or will be filing for bankruptcy at some point in their lifetime-they may have simply omitted to tell you about it.

Faced with these facts, some of the bankruptcy lawyers in the Northern Virginia area and other part of Virginia as well as myself, with attorney Bob Barlow leading the way, are lobbying Virginia's General Assembly to amend and enhance the bankruptcy exemptions. Now we need your help! These laws affect you, the consumer. Given the economic times that we are facing, let's make sure there are adequate measures in place to help folks get a fresh start when filing for bankruptcy in Virginia. We believe that if Virginia's legislatures begin to hear from the public at large, changes in the law will occur.

As my previous blog explains [Why Virginia's Bankruptcy Exemption Laws Must Be Amended](#), Virginia's current bankruptcy laws do an inadequate job of exempting people's assets which sometimes prevents people from filing for bankruptcy protection. See also, [Bankruptcy and The Disadvantage of Having Equity in Virginia](#), if you like. As a result, some of the leading Virginia bankruptcy lawyers are proposing some changes. Take a look at the bottom of this article to read the exact proposal. In short, we are asking Virginia's legislatures for the following:

- Allow individuals to adequately protect the equity in their home by creating a homestead deed exemption with a limit of \$40,000 instead of the current \$5,000.
- Give the residents of Virginia a choice between using Virginia or Federal bankruptcy exemptions when filing. The Federal bankruptcy exemption scheme is currently far more generous.
- Protect an individual's bank accounts through a wildcard exemption.

To help fight for fair laws that adequately meet the needs of the consumers, please fill out a short form online by visiting the Virginia Consumer Bankruptcy Association website located at <http://www.vacba.org/>. By signing this form, we are asking that you commit to signing a petition, a previously prepared letter, or making a few phone calls to your elected officials. For individuals who are facing bankruptcy, the stakes are high. Let's tell the Virginia General Assembly they need to help their residents by securing just bankruptcy exemption laws.

General consensus reached as to the following.

Re: 34-26 and 34-4: Increase values. Not changed since 1977.

34-26 Add a firearm exemption to entice the National Rifle Association to support this bill.  
34-26 Auto exemption: increase to \$5,000.00 (2k is a dangerous vehicle)  
34-26 Add specific exemptions for books and jewelry (not wedding) approx \$500-1000.  
34-4.1 Change to classic wildcard of \$10,000. Including Real Property that is not principle residence.  
34.4.3 Add true homestead. 20% of median home price offered. Would be approximately \$40,000 today and would rise as prices rise.  
34-29 Add EIC exemption for tax refunds.  
34-4 Allow choice of Federal or State exemptions in bankruptcy (current scheme penalizes permanent Virginia citizens in that short timers and folks who previously filed in other states get to utilize federal exemptions or avoid lifetime limitation).  
34-4 End lifetime limitation. Allow wildcard and homestead every 7 years.