

Arizona Bankruptcy Attorney: Timing Your Bankruptcy Filing

By Attorney John Skiba

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With the housing situation in Arizona continuing to decline, there seems to be no end to people who are either losing their homes because they can no longer afford them or they are so upside down in their homes that it doesn't make financial sense to continue to pay on the property. This brings up the question of when is the appropriate time to file for bankruptcy if you are faced with losing your home?

The auction on your house that is usually held at the courthouse steps (and it is actually held at the courthouse steps!). Under Arizona law you must receive 90 days notice prior to the bank auctioning off your home. If you want to save your house using the bankruptcy system, then you will need to file bankruptcy before the date set for the sale. That being said, you should not wait to meet with an Arizona bankruptcy attorney until the day before – or even the week before – your trustee's sale. Properly preparing a bankruptcy case can be done fairly quickly but does take some time. There will be a lot less stress in your life and in your Arizona bankruptcy attorney's life if you get into to see the attorney as soon as you receive notice that your house is going to be sold.

This is equally true if you have been sued. In most cases in Arizona, if you are sued you will have 20 days to respond in writing to the law suit. If you don't respond the Plaintiff will likely seek a default judgment against you. Obtaining a default judgment will likely take a minimum of an additional two to three weeks. Once your creditor has secured a judgment you are now at risk of having your wages garnished (up to 25% of each paycheck) or having your bank accounts garnished. It is extremely upsetting to wake up and see that the money you thought you had in your bank account is now completely gone with little you can do to recover it.

In sum, as soon as you are facing financial difficulty, get in to see an Arizona bankruptcy attorney who can help you evaluate what your options are and what is the best path to take.

Arizona bankruptcy attorney John Skiba offers a free bankruptcy consultation to evaluate your specific situation. Mr. Skiba can be reached at (480) 464-1111.