

## Is Bankruptcy Best?

### Foreclosure May Trigger Big Tax Troubles for Arizona Homeowners

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[www.pewlawcenter.com](http://www.pewlawcenter.com)

When faced with losing your Arizona home it's hard to think of any option as having a benefit. But this is no time to be in denial – it's time to look at all of your options and pick the one that will have the best possible outcome for you and your family.

For example, most people don't realize that there is a tax advantage to filing for bankruptcy rather than allowing your home to go into foreclosure. If your home is taken back by the bank, the bank will try to resell the home at a loss. Any loss they take above and beyond what you still owed on your original mortgage is considered *your* income by the IRS. The same holds true for a short sale.

While congress has temporarily granted a blanket forgiveness of this tax liability, it is only for money spent on the home purchase or home improvements – not the home equity loan you took out to pay for a trip to the Bahamas, or even your child's education.

In a bankruptcy, however, most judges will consider home equity loans, home equity lines of credit, and even second mortgages as unsecured debt. That means they can be discharged and you won't owe any additional taxes.

When you are facing financial difficulties, this and other questions can be very confusing. Having an advocate on your side who knows both bankruptcy and tax law is a smart move that can save you a lot of heartache – and money – down the road.

At Pew Law Center, we believe that your life shouldn't be defined by debt. We have helped hundreds of people just like you find the relief they deserve from harassing bill collectors, paycheck garnishment, foreclosures proceedings, and – most importantly – the constant worry about money and what to do about your debts.

We are a dedicated debt relief law firm. We help people from Phoenix, Mesa, Gilbert, Queen Creek, Chandler, Scottsdale, Apache Junction, Tempe and throughout Arizona file for bankruptcy or work through tough tax problems every day. We can help stop the debt cycle and give you relief from your overwhelming, burdensome, and crushing debt. Please don't wait another moment. Call us right away – our attorneys will help get you the fresh start you deserve.

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Lawrence "D" Pew is Managing Attorney for the Pew Law Center, one of the leading bankruptcy and tax law firms in Arizona. They have worked with over 2,000 clients to help them file bankruptcy and eliminate over \$100 Million dollars in taxes and debt.

When founding the Pew Law Center, Mr. Pew's vision is of a premier, client oriented law firm that is designed to consistently exceed client expectations and achieve stellar legal representation. Mr. Pew's concern and compassion for his clients adds to the excellent service and standards at the Pew Law Center. He has worked tirelessly in order to produce fantastic results and outcomes for the firm's clients. Mr. Pew is a member of the State Bar of Arizona and the National Association of Consumer Bankruptcy Attorneys (NACBA). He continually educates himself on the latest trends and developments in the areas of bankruptcy and tax to ensure the highest service possible for his clients. Given his diverse background and experience, Mr. Pew provides real world answers and practical solutions to complicated problems. Mr. Pew continues to practice law because of the difference he can make in people's lives, especially during their darkest most trying hours.

**You can read his book: *Bankruptcy Secrets "They" Don't Want You to Know***

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