

Bankruptcy & Your Vacation Home

<http://doddsbankruptcylaw.com/>

Bankruptcy filings are not always for individuals who have no assets. One concern people have when contemplating filing a case is what will happen to their vacation home. While every situation is different, below are a few pointers to help you understand how your multiple homes may be treated in a bankruptcy case.

If you file a Chapter 7 case, it is a liquidation process. Thus, if your property has more equity than you can protect with exemptions under the law, you run the risk of losing it. Exemptions allow you to keep certain assets even though you are in bankruptcy. The trustee assigned to your case will investigate the amount of equity you have in your vacation home. If it is significant and not covered by an exemption, the trustee will likely sell the property to pay your creditors.

Another issue that arises with vacation homes is the expense associated with them. If there is no equity in your second home, there is a mortgage and related expenses that the trustee can argue are not in the “best interest” of the creditors. In other words, the trustee will argue that the money the debtor is spending on the vacation home is money that could be paid toward the creditors. The result is that the trustee may file a motion to convert your case to a Chapter 13 or to have it dismissed.

If you are considering filing a Chapter 7 case and you own more than one home, it is imperative that you consult with a lawyer to discuss the proper strategy and whether you will be able to keep your vacation property.

*If you would like to discuss your problems with debt collectors, call **The Dodds Law Firm, PLC**, at [623-209-8923](tel:623-209-8923). [The Dodds Law Firm, PLC](http://TheDoddsLawFirm.com), serves clients primarily in the areas of Fair Debt Collection Practices Act violations, Chapter 7 and 13 bankruptcies, and issues of Unfair or Deceptive Business Practices. Our firm is committed to protecting the rights and benefits afforded to all individuals under state and federal law, as well as the U.S. Constitution.*