

# Annutto Law Office

*Experience you can trust*

## UNDERSTANDING THE BANKRUPTCY PROCESS IN NEW HAMPSHIRE



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# THE BANKRUPTCY PROCESS IN NEW HAMPSHIRE

**The bankruptcy process can be complicated and confusing. It can be difficult to maneuver without the proper experience or guidance. It is essential to understand the ever-evolving bankruptcy laws of New Hampshire and how those laws can affect your case.**

## **The Bankruptcy Process**

Understanding the process and knowing what to expect is half the battle when deciding if and what kind of bankruptcy may be right for your unique situation.

The first step that is required before filing is credit counseling. This step needs to be taken six months before being able to file in New Hampshire. Credit counseling helps individuals and families get a handle on their financial situation and understand their position clearly.

## **The Steps for Determining the Type of Bankruptcy You Need**

The next step is to determine what type of bankruptcy may be best. A means test will be completed, determining if a person qualifies for Chapter 7 bankruptcy, the most common kind.

A means test is a process of analyzing income and expenses to gauge where you are compared to the median income for New Hampshire. If you fall below the median, you can file for Chapter 7. If you are above the median level, Chapter 13 may be the best option. You may still qualify for Chapter 7 after a closer look into your unique situation.

After a means test narrows down what kind of bankruptcy you are qualified to file, the necessary paperwork needs to be gathered. This paperwork typically includes income statements, bank transactions, expenses, debts, tax returns, lists of property and deeds, and any paperwork pertaining to loans. Other documentation may be needed depending on the case.

Taking these steps opens the door to letting us help you file. Once you file, you can decide which property you wish to have declared exempt. We can help you fight for exemptions for the assets and property you have worked to own.

Finally, a hearing before a judge will be set.

## Knowing if You Qualify for Bankruptcy

There are a few indicators that your debt situation may have reached a level that warrants a bankruptcy filing.

Some of those indicators may include saying yes to the following questions:

- Have you already cut back on all extra expenses and still can't pay your bills?
- Have you already asked for lower interest rates or lower payments to no avail?
- Are you under the threat of foreclosure or eviction?
- Are you behind in your bills by more than a month with little hope of catching up?
- Have you been unemployed for a while?
- Have you recently experienced a significant change in your life that affected your finances, such as divorce or being sued?
- Are you being harassed by creditors or have had property repossessed?

Another indicator of your situation rests in the numbers. You should add up all of your debt and compare it to your assets' value, including accounts, pensions, and real estate. If your debt outweighs your current assets' value, you may be digging a deeper hole each month.





# COMMON QUESTIONS FOR NEW HAMPSHIRE BANKRUPTCY

## What will happen when I file?

When you first file for bankruptcy, any and all attempts to collect debt by creditors should stop. When the petition is filed and approved, a trustee will liquidate your assets and pay back creditors with the money raised.

If Chapter 13 bankruptcy is filed, a repayment plan will be approved, and you can start paying back the debt over a period of time, typically between three to five years. The immediate relief of not receiving threatening phone calls or letters is the first benefit many look forward to after filing.

## Will I Lose Everything in My Bankruptcy?

Chapter 7 bankruptcy will result in the liquidation of your assets to pay back creditors. However, not everything needs to be liquidated. You can file to have certain property declared exempt. There are state and federal exemptions, and you can decide which ones will benefit you most.

Chapter 13 bankruptcy allows you to keep your assets and repay debts according to an agreed-upon amount and timeline.

## How Often Can I File for Bankruptcy?

If you file for Chapter 7 bankruptcy, you can't file again for eight years. If you file for Chapter 13 bankruptcy, you can't file again for six years.

## Can I File on My Own Even If I am Married?

Yes, you can file as an individual if you are married. But, it should be noted that even if you file alone, your spouse can still legally be held responsible for your debt. Also, if you file for bankruptcy together as a couple, you can double the number of exemptions for which you qualify.

## Should I File Bankruptcy with My Spouse?

When you file for exemptions as a means of keeping property, the amount of the exemption is doubled if you file bankruptcy with a spouse. This basically means you will get to keep more property.

## Will Bankruptcy Affect My Credit?

Bankruptcy can be complicated, and the impact it can have on an individual's or a family's credit can vary widely. Regardless of what type or the details of your situation, bankruptcy will have affected your credit.

If you are filing for bankruptcy, your credit is already in trouble. How much depends on the amount of debt you have and the amount of money you make—your debt to income ratio. If you have pretty good credit and file for bankruptcy, your credit score will take a deep dip. However, if you have a high debt to income ratio - massive debt and a small income - your credit score will dip slightly. Any bankruptcy filing will remain on your credit report for up to ten years.

## What Property Can I Keep After Bankruptcy?

The first thing many people wonder when they file for bankruptcy is what property they may be able to keep and lose. Each case is different and can be complicated as your case moves forward.

# NEW HAMPSHIRE BANKRUPTCY CHECKLIST

**The process of filing for bankruptcy entails very specific steps. You have to be approved and understand the overall impact bankruptcy will have on your life and financial future. First, there are certain documents and information you need to provide to see if you qualify and to get the ball rolling towards a fresh start.**

## **The Documents Needed at Your Bankruptcy Appointment**

You need to bring the following documents and information to our law office before we can help:

- Valid ID or ID's if a couple is filing
- Social Security Cards
- Three years of tax returns
- Payroll stubs for six months
- Payroll stubs for a spouse, even if that spouse isn't filing for bankruptcy
- Bank and account statements for the last six months
- Any foreclosure or eviction paperwork or filings against you
- Any information related to the repossession of property
- Documentation related to any lawsuits
- Child support and alimony documentation and orders
- Life insurance documents

Every bankruptcy is unique and may require more documents or information to begin the bankruptcy process. Your unique situation may mean there are more documents or information needed to begin the bankruptcy process. Once you have gathered these essential documents and pieces of information, we can assess if bankruptcy is the right choice and which form of bankruptcy will benefit you the most.



# NEW HAMPSHIRE BANKRUPTCY MYTHS DEBUNKED

**Myth:** The only people who have to file for bankruptcy are those who are failures at handling their finances, those who can't live within their means, or those who squander what they have.

**Truth:** Anyone, regardless of how fiscally responsible they may be, can find themselves in a position where bankruptcy is the only option for regaining control over finances. Most people who file for bankruptcy in New Hampshire are hard-working and never expected to be in that position. The most common reasons for filing bankruptcy include losing a job unexpectedly, divorce, medical bills, and being hit hard by the recession.

**Myth:** If you file bankruptcy, you will lose everything including your house.

**Truth:** The purpose of bankruptcy is to help you get the fresh start you need, not leave you more indigent or without anything you have worked hard to obtain. There are both state and federal exemptions that will allow you to keep certain kinds of property. If you qualify for exemptions, you can keep your trade tools, home equity up to \$100,000, some kinds of personal property, and certain types of livestock. You will also possibly be able to keep certain benefits and tax-exempt retirement accounts. Chapter 13 bankruptcy can allow you to keep most assets while you work to repay your debts. It would be in your best interest to consult with a New Hampshire bankruptcy lawyer.

**Myth:** Your credit will be ruined forever if you file for bankruptcy.

**Truth:** Bankruptcy can remain on your credit report for up to ten years and affect your credit score. However, just how much of an affect bankruptcy will have varies from person to person. After bankruptcy is filed, certain debts will be discharged. This will improve your debt ratio and possibly free up funds to pay down other debt. While a score may drop at first, it may be easier to gain credit points as you work to stay current with payments and regain your financial footing after filing for bankruptcy.

**Myth:** People file for bankruptcy to get out of paying back what they owe creditors.

**Truth:** Bankruptcy has had several stigmas attached to it for a long time. One is that it is an easy way out of having to pay what you owe. You can't go out and charge a ton of things and then file for bankruptcy to get out of paying. Bankruptcy court must approve your filing and will look closely into spending habits and credit use to prevent anyone from trying to take advantage of the system. While certain debts are discharged, the liquidation process repays many debts. Most creditors will get paid back, and you will need to stay current on any payment plans between you and those creditors. Also, certain types of debt can't be discharged at all. This includes child support, alimony, student loans, some taxes, and any court-ordered restitution.

# BANKRUPTCY EXEMPTION LAWYER IN NEW HAMPSHIRE

One fear many people associate with bankruptcy is losing all they own and have worked so hard to obtain. While bankruptcy is disruptive and can result in the loss of all kinds of property, many state and federal exemptions allow you to keep specific property and assets. The exemptions you may qualify for depends on the type of bankruptcy you file and your unique financial situation.

## Types of Exemptions

There are state and federal exemptions in New Hampshire. Our lawyers will determine which is best to seek in your case. Married couples filing jointly for bankruptcy can double the number of exemptions they seek. Some of the most common exemptions in New Hampshire include:

- Homestead or residential property exemption, up to \$100,000 of home equity
- Personal property such as clothing, beds, bedding, stove, refrigerator, sewing machine, and \$3,500 worth of furniture
- \$400 worth of fuel
- Military uniforms or equipment
- Books
- Livestock such as one pig, one hog, six sheep, one cow, one ox, \$300 worth of fowl
- \$500 worth of jewelry
- Tools of your trade up to \$5,000
- Insurance policies
- Unemployment and workers compensation benefits
- Other forms of public assistance
- Tax-exempt retirement accounts

The filer must seek the exemptions. It is crucial to have an experienced bankruptcy lawyer by your side to explain specific exemptions and how best to protect the assets you have worked so hard to earn.



# COST TO FILE BANKRUPTCY IN NEW HAMPSHIRE

The financial strain and anxiety that leads a person to file for bankruptcy can be overwhelming. Knowing what to expect from the process is vital. It is also vital to understand the financial costs of pursuing bankruptcy. The Joseph M. Annutto is a bankruptcy lawyer who can outline the fees and help you get back on stable financial footing.

## Cost Types

The costs involved depend on the type of bankruptcy filed:

- The cost is currently \$306 to file for Chapter 7 bankruptcy.
- Chapter 13 bankruptcy costs \$281 to file.
- Chapter 11 bankruptcy is the most expensive to file at the cost of \$1,717.  
\*\*This cost is a combination of a filing fee, an administrative fee, and a trustee surcharge fee for those filing for Chapter 7 bankruptcy.

Payments can be made in installments if it is difficult to pay all at once. Those filing for Chapter 7 bankruptcy should know the fee can be waived if a judge approves the request. That will be dependent on the details of each case. As far as payment methods, any personal checks or credit cards from the debtor will not be accepted. Other checks, credit cards, or money orders may be used to pay the fee.

Having a skilled and experienced bankruptcy lawyer by your side to explain fees and the overall bankruptcy costs can help you prepare ahead of time. Our firm understands the anxiety and worry that may affect you and your family at this time. With our guidance and advice, we can ensure the bankruptcy process is smooth and fair as you prepare for a more stable financial future.



# EXPERIENCED BANKRUPTCY ATTORNEY WORKING FOR YOU!

It is essential to understand the process and to have up-to-date information. Far too many people try to navigate the bankruptcy process on their own and end up losing property they could have kept or filing for the wrong type of bankruptcy.

Our firm will take the time to understand how you have gotten to where you are, and we will know how best to help you. Joseph M. Annutto is a bankruptcy lawyer who understands no one wants to be in this position. We will explain the process in terms you understand and get the process started with the compassion and honesty you need and deserve.

## **Free Bankruptcy Consultations with Annutto Law**

Every situation is different, and it may be hard to tell if you are at a point where bankruptcy is your best option. Our firm can help you decide the best course of action.

Joseph M. Annutto is a bankruptcy lawyer who knows how hard you have worked to earn all you have. At Annutto Law we understand bankruptcy can be distressing and confusing. If you are unaware of the property laws or exemptions, you can end up losing property you may be able to keep. Let our trusted and experienced bankruptcy attorneys review your situation and see what property you may be able to keep as we help you regain your financial footing.

**Contact Attorney Joseph M. Annutto for a free bankruptcy consultation.**

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