



# Minnesota Bankruptcy Buzz

## KAIN & SCOTT P.A.

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### Bankruptcy news Minnesota Lawyers can use FACTS AND FIGURES

**M**innesotans filed 834 chapter 7 and chapter 13 bankruptcy cases in May 2016. In May 2015, Minnesotans filed 930 chapter 7 and chapter 13 bankruptcy cases. That is a 10.32% drop in cases year over year for May. The bankruptcy filings for May have not been this low for 10 years.

There has been a 11.30% decline in case filings so far in 2016 as compared to this time in 2015. When the decline in bankruptcies will end has been the subject of scholarly debate for some time now. The truth is, nobody knows.

*Testimonial: "Life is just that again, my life. It's good to have it back. Thank you, Eric"*



## More bankruptcy news you can use

### 3 OF THE MOST COMMON BANKRUPTCY MISCONCEPTIONS IN MN

Filing for bankruptcy can give you a chance to start over financially. Knowing the correct information about this process and its potential results is absolutely necessary when considering whether or not to file. Bankruptcy is a legal proceeding, which means it is surrounded by legal jargon. This can make sorting through the massive amounts of bankruptcy related information complicated.

Listed below are three bankruptcy misconceptions people often assume or have been led to believe; we're going to set the record straight by giving you the truth. Hopefully, at the end of this article you will know what bankruptcy truly is and how it helps debtors out of many different troubled financial situations.

#### #1 - DEBTOR MUST BE COMPLETELY BROKE TO FILE FOR BANKRUPTCY.

This is false. Debtors simply unable to keep up with their monthly ex-

penses are eligible to file bankruptcy; there are additional eligibility requirements you must meet as well, which vary based on the chapter you file.

#### Chapter 7 Eligibility:

The size of your debt has nothing to do with your opportunity to file a Chapter 7 Bankruptcy – it solely depends on your ability to pay on your debts. Because your income directly affects your ability to pay off debt, there are specific income qualifications you must meet. Your average income over the past six months must be lower than your state's median income. If your average income doesn't fall below your state's median income you must complete a "means test."

The means test was designed to allow only those who truly can't pay their debts to file Chapter 7 bankruptcy. This test calculates your disposable monthly income by subtracting your "allowed" monthly expenses from your monthly income. (Allowed monthly expenses

vary by state and often by city as well, but commonly include your basic necessities such as housing, transportation, food, etc.)

Additionally you cannot file, if during the 180 days before you file: A prior bankruptcy petition you filed was dismissed You haven't received credit counseling

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#### [Chapter 13 Eligibility:](#)

#### Words to live by...

Let's eat grandpa.

Let's eat, grandpa.

Correct punctuation can save a person's life.

Author unknown

*Testimonial: "We are simply out of words. Your company is the life preserver & lifeguard that stopped my family from drowning."*

# Our 3 uniques

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Guarantee:

## 1 Minnesota's Nicest Bankruptcy Law Firm Guaranteed or 100% off your fee's\*

- ⇒ We don't judge you we help you get your life back!
- ⇒ We help you with the forms
- ⇒ We pull your credit report for you
- ⇒ Highly reviewed

## 2 Bankruptcy is not just what we do, it's all we do!

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*Testimonial: "You guys are wonderful and so down to earth. You sure make a stressful situation calming.  
The staff is so nice and caring! Thanks much! Bachmans"*