



Minnesota Bankruptcy Buzz

KAIN & SCOTT P.A.

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Bankruptcy news Minnesota Lawyers can use FACTS AND FIGURES

Minnesotans filed 872 chapter 7 and chapter 13 bankruptcy cases in April, 2017. In April, 2016, Minnesotans had filed 878 chapter 7 and chapter 13 bankruptcy cases. That is a drop of less than 1% year over year in April.

Thus far in 2017, there have been 3,253 chapter 7 and chapter 13 bankruptcy cases filed in Minnesota. Compared to last year at this time, we had filed 3,372 chapter 7 and chapter 13 bankruptcy cases. That is a drop of 3.5% year over year. The decrease in bankruptcy filings appears to be flattening out.

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



More bankruptcy news you can use

EXCEPTIONS TO THE MEANS TEST IN CHAPTER 7 BANKRUPTCY

Among the eligibility requirements to file a Chapter 7 Bankruptcy, the Means Test is used to determine whether or not a debtor has the resources available to satisfy their financial obligations. When a debtor fails to satisfy the requirements of the Means Test, they have the option of filing a Chapter 13 bankruptcy instead. However, there are exceptions to the Means Test which provide certain debtors the option of filing a Chapter 7 bankruptcy despite having too high of income. If the majority of your debts are non-consumer debts, you are a disabled veteran, or you are a military Reservists/Guardsmen, you may qualify for Chapter 7 bankruptcy regardless of your income.

NON-CONSUMER DEBTS

When it comes to Chapter 7 Bankruptcy, the majority of our clients have consumer debts. When this is the case, we meticulously apply the Means Test to their case to make sure their financial situation satis-

fies the requirements to file. However, on occasion, we have clients who come to us as a result of overwhelming non-consumer debt. Non-consumer debt, most often, refers to debts incurred from operating a business.

In order to qualify for the non-consumer debt exception to the Means Test, your non-consumer debt must be more than 50% of your overall debt. This can be tricky sometimes for home owners. If you have a house subject to a mortgage, and the mortgage is enough to make your overall consumer debt exceed non-consumer debt, then you will not qualify for this exception. Unless, of course, your mortgage is in the name of your business. Despite the infrequency of this exception being used, this is a great option for certain debtors who need to break free from an unsuccessful business venture.

DISABLED VETERAN

Some practitioners believe the disabled veteran exception to the Chapter 7 Means Test applies sim-

ply by virtue of the debtor receiving VA disability. Well, this simply isn't true. The Bankruptcy Code is much more specific when it comes to outlining the requirements for this exception. There is a two-part test in which a debtor must satisfy before being eligible for this exception: VA disability rating must be 30% or greater; and the debts must have been incurred while serving on active duty.

CONTINUE READING

Words to live by...

“Your greatness is not what you have; it’s what you give.”

-author unknown

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

“We don’t judge you, we help you get your life back!”

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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”***

***See Guarantee for details**

****Client to pay costs**

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