

you can satisfy the following three requirements:

- \* You must have a regular source of income.
- \* You must have enough disposable income to make a regular monthly payment.

If you don't qualify for a Chapter 13 bankruptcy, don't worry; you'll probably be able to qualify for Chapter 7 bankruptcy or a Chapter 11 bankruptcy.

### **THE BENEFITS OF A CHAPTER 13 BANKRUPTCY**

Of course, you will need to work closely with your bankruptcy attorney to determine whether a Chapter 13 or Chapter 7 bankruptcy is best for you. This will depend on a number of factors, such as your income, your expenses, and the nature of your debts. However, in general, a Chapter 13 bankruptcy case will be better for you than a Chapter 7 bankruptcy if:

- \* You are behind in your payments for property
- \* You have tax debts.
- \* If you have property you wish to keep.
- \* If you have filed a previous chapter 7
- \* To protect cosigners on your debts.
- \* Consolidate your student loans.

### **ARE YOU READY TO GET A FRESH START THROUGH CHAPTER 13 OR CHAPTER 7**

If you're hesitating to file a bankruptcy because of the stigma involved, or because you have a vague sense that it's wrong, don't hesitate any longer. Bankruptcy is nothing to be ashamed about. In fact, Congress passed the bankruptcy laws to encourage financially troubled individuals to get their financial lives together. In many cases, the alternative is the shame and hardship of harassing creditors, negative items on your credit report, and a seemingly unending financial hardship. Remember that millions of individuals file for bankruptcy protection each year. You too can use this opportunity to put your financial life back together.

If you're ready to get your fresh start, we make it easy for you to do so. All you have to do is pick up the phone and call (334)269-4440, (334)872-4545 or (334)382- 6907 An appointment will be set with one of our experienced bankruptcy attorneys so we

can assess your financial situation, explain your options to you, and give you a reasonable estimate of how much your case will cost.

### **WHY HIRE SHINBAUM, McLEOD & CAMPBELL?**

The law firm of Shinbaum, McLeod and Campbell, is a general practice law firm located in Montgomery and Selma, Alabama that has successfully handled bankruptcy, workers compensation, social security and personal injury matters for thousands of clients since 1975. While we regret that you may be having financial problems, we feel that you should know alternatives that you have available in bankruptcy. We feel that you should know the alternatives available through bankruptcy and we want to counsel you. If you would like to learn more about bankruptcy feel free to call one of our offices or explore our website, [www.smclegal.com](http://www.smclegal.com). You can learn more about Chapter 7 and 13, or you can read about what happens after bankruptcy.

Whatever you chose to do, don't let your creditors ruin your life. Contact an attorney today and get to work on solving your financial situation.

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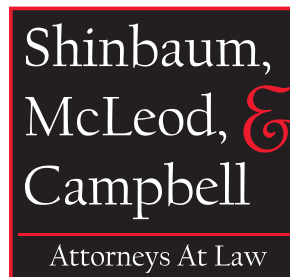
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## **BANKRUPTCY**

**Have you been sued by a creditor?**  
**Are your wages being garnished?**  
**Are you having financial trouble?**  
**Do you owe back taxes?**  
**Are you being harassed?**

**The United States Bankruptcy Code still provides you away to protect your property and allow you to get out of financial difficulty. The law firm of Shinbaum McLeod & Campbell is a federally designated Debt Relief Agency helping people in filing bankruptcy for over 33 years. Here are some answers to questions regarding bankruptcy and how it may affect you.**

*The rules and regulations of the Alabama Bar Association require that any advertisement contain the following: No Representation is made that the quality of Legal Services to be performed is greater than the quality of legal services performed by other lawyers.*

## WHAT IS BANKRUPTCY?

Bankruptcy is the legal process that allows you to manage and/or liquidate your bills in a manner that provides you with a “Fresh Start” as provided by law and the Constitution on the United States.

## WHY YOU NEED AN ATTORNEY?

When deciding to file for bankruptcy it is your right to hire an experienced, dedicated attorney who knows bankruptcy law. Your bankruptcy attorney will assess your financial situation, guide you through the entire process and help you in learning your legal options. Your attorney files a petition in local bankruptcy court. When this occurs, the court appoints a bankruptcy trustee to your case and, in most cases, an “Automatic Stay” is entered. An automatic stay is a court order that prohibits most of your creditors from taking any further action against you outside of bankruptcy court. This action is designed to:

- \* Stop most calls and bills from creditors
- \* Protect much of your property from seizure
- \* Prohibit most creditor lawsuits against you
- \* Prevent foreclosure of your home
- \* Stop wage garnishments
- \* Block the repossession of your automobile

## WHAT KIND OF BANKRUPTCY CAN I FILE?

The law allows a person to file a chapter 7 liquidation bankruptcy or a chapter 13 repayment or partial repayment bankruptcy. There are two other types of bankruptcy, a Chapter 11 reorganization bankruptcy or a Chapter 12 farm bankruptcy.

## BANKRUPTCY IS A LEGAL RIGHT

Chapter 7 is a “Straight Bankruptcy” or “Liquidation Bankruptcy” Chapter 7 is referred to as liquidation because your non-exempt assets are liquidated (converted to cash) to pay part of your debtor’s outstanding bills. Most people who file for Chapter 7 bankruptcy don’t have any non-exempt assets to sell and if that’s the case, there is no actual sale of property.

Chapter 7 bankruptcy cases move quickly, and you may receive your discharge in just a few months which means you can start rebuilding your credit

sooner. The discharge will eliminate most unsecured debt, but there are exceptions. Some items, like child support and most student loans, can’t be discharged. Not everyone qualifies for a Chapter 7 because they flunk the “means test”. Your attorney can explain how the “means test” affects you. Most people who are considering Chapter 7 qualify, but if you don’t qualify you may still file Chapter 13.

Chapter 7 bankruptcy may be right for you if you:

- \* Have no income or low income
- \* Have little or no money left after paying your necessary living expenses each month
- \* Rent or have little Home equity.
- \* Have few assets (or no assets) outside your furniture, clothing and other necessities.

It is critical that you follow your attorney’s advice and **DO NOT:**

- \* Attempt to conceal your property
- \* Destroy financial records
- \* Violate any court order
- \* Make last-minute charges on your credit cards

## BANKRUPTCY CAN HELP YOU ELIMINATE DEBT

If a debt is unsecured—that is, with no collateral backing it up—it can usually be discharged in a Chapter 7 bankruptcy. Some of these include:

- \* Credit card debt
- \* Medical bills
- \* Most personal loans
- \* Judgments resulting from car accidents
- \* Deficiencies on repossessed vehicles
- \* Some older tax debts
- \* Payday loans
- \* Garnishments

Your attorney can help you eliminate unsecured debts in bankruptcy, but secured debts don’t go away. Your creditors will hold a lien against your property until the debt is paid or property surrendered.

Unfortunately, even a bankruptcy cannot eradicate everything you owe. You will still be liable for non-dischargeable debt, including:

- \* Child support
- \* Some taxes
- \* Student loans
- \* Certain other categories of debts.

In the case of significant non-dischargeable debts, you might consider a Chapter 13 bankruptcy.

## CHAPTER 13 BANKRUPTCY A RESPONSIBLE WAY TO HANDLE YOUR BILLS.

Chapter 13 is considered a responsible way to pay as much as you can on your bills.

A Chapter 13 case begins with the preparation and filing of your bankruptcy petition. Immediately after you file, the bankruptcy court will send a notice of your bankruptcy case to all of your creditors. After that, your case will be assigned to a bankruptcy trustee, who will review your case. In most cases, the bankruptcy court will also issue an Automatic Stay order. This order prohibits most of your creditors from collecting their debts from you, from repossessing your car or other property, and from starting or continuing any legal actions against you while the bankruptcy case is pending.

## THE CENTER PIECE OF CHAPTER 13 IS THE DEBTOR REPAYMENT PLAN

Your Chapter 13 plan is a legal agreement between you and your creditors. Your creditors are required to forgive a portion of your debts in exchange for your commitment to repay your reduced debts over time. In Chapter 13 you make payments each month to the Trustee of the Court, who then pays your bills according to a repayment plan that you propose. Typically, your repayment plan will last from three to five years. While you are making payments under the plan, your creditors cannot take any collection actions against you, and creditors are required by law to abide by the terms of your repayment plan. Unlike agreements between a credit counseling company and the creditor, there is room to negotiate and the creditors have to participate.

Not everyone qualifies for Chapter 13 bankruptcy. A Chapter 13 bankruptcy is not for everyone. You may qualify for a Chapter 13 bankruptcy only if