

**NEW BANKRUPTCY CODE:
FILING PROCEDURES**

Major Intent of Bankruptcy Reform	Cut down on abuse by requiring people who can pay all or some of their debt to do so.		
PROVISIONS			
<i>In effect as of 4/2005</i>			
Homestead Exemption (Sections:308, 322, 330)	1) Exemption limited to \$125,000 if property was acquired <i>within</i> the previous 1215 days (40 months). 2) Cap is not applied to a property transferred from debtor's previous principal residence if acquired prior to the 40 month period.		
<i>In effect as of 10/17/ 2005</i>			
Means Test	Used to determine if you qualify for Chapter 7 or Chapter 13 Bankruptcy.		
	<i>Test #1</i> Are family earnings over the median income for your state? <i>(Find your state's median income level by following this link)</i> <ul style="list-style-type: none"> If "No" Chapter 7 can be filed! If "Yes", proceed to Test # 2. 	<i>Test #2</i> Do you have monthly income in excess of expenses equal to at least \$166.66/month to pay \$10,000 of debt over 5 years? <ul style="list-style-type: none"> If "Yes", Chapter 7 cannot be filed but Chapter 13 may be filed! If "No" ", proceed to Test # 3. 	<i>Test #3</i> Do you have monthly income in excess of expenses greater than \$100/month to pay over the next 60 months to pay at least 25% of your unsecured debt? <ul style="list-style-type: none"> If "No", you can file Chapter 7. If "Yes", Chapter 7 cannot be filed but Chapter 13 may be filed!
Proof of Income	If filing Chapter 7 or Chapter 13 bankruptcy you must provide the court a copy of your most recent tax return or transcript of a tax return at least seven days prior to the 341 meeting.		
Counseling	You must have had approved financial counseling within the last 6 months.		
Child Support and Alimony	These debts increase to a number 1 priority and may not be discharged.		
Tithing	Up to 15% of your income can be given to charity. This may allow you to choose paying your creditor or your church in a Chapter 13 or getting your income low enough to qualify for Chapter 7.		