



WILL YOU KEEP YOUR HOUSE AND OTHER REAL ESTATE IF YOU FILE A CHAPTER 7?

1. **The only way that you can be sure that you will keep your house or other real estate when you file a Chapter 7 bankruptcy is if ALL of the following apply:**
 - a) Your home qualifies as your bona fide homestead on the date you file for bankruptcy; and
 - b) You are completely up-to-date on all your monthly mortgage and escrow payments; and,
 - c) You keep up all of your monthly mortgage payments after you file; and,
 - d) Your house has less than \$35,000.00 of equity; and,
 - e) Your mortgage holder allows you to reaffirm the debt; and,
 - f) You file a Motion to Reaffirm before the date of your discharge; and,
 - g) The bankruptcy court judge approves your proposed reaffirmation of the debt; and,
 - h) You make all future monthly payments required by the reaffirmation agreement on time, including principal, interest, taxes, and insurance.
2. **If you have any doubt whatsoever about the value of your house, you should have it professionally appraised before you file bankruptcy.** The court does not have to accept your appraisal, but it usually will if the appraisal is done by a reputable, independent fee appraiser.
3. **In cases where there is more than \$35,000 of equity in your house,** your Bankruptcy Trustee will usually allow you to "purchase" the equity from the estate, instead of selling the house or car on the open market. Usually you are given several months to come up with the funds.
4. **In the situation described above, if you don't have or can't raise the necessary funds** to purchase your equity, you may be able to save your house by converting your case to a Chapter 13.
5. If you own, or are buying, or have inherited, or have been given any interest in any land or real estate in Louisiana or in any other state or country, WE STRONGLY RECOMMEND that you obtain a formal real estate appraisal or at least a Broker's Price Opinion (BPO) through a professional of your choice before filing bankruptcy or Chapter 13 if there is any possibility that: a) you might have more than \$35,000 of equity in your home, or b) you might have any equity at all in any other real estate. You are legally responsible under the law for accurately listing AND placing an accurate value on all your property.
6. We will generally NOT approve reaffirmation agreements on your home or other real estate, especially if an adjustable rate mortgage or balloon payment is involved. We believe that a court hearing should be required in all home reaffirmation cases, and that the judge should decide whether reaffirmation is in your best interest.

Don't take any chances.

If in doubt,
ask us before you file..