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Dealing with Life's Financial Curveballs

When life throws you a financial curveball, how can you stay in the game?

Most Americans are honest, hardworking people, trying to pay their mortgages, buy groceries, keep gas in their cars and sacrificing to send their kids to college. Often, budgets are tight and people manage to get by only when everything, everyone and the economy work smoothly together. Then, when one of life's curveballs comes out of nowhere, families may find themselves in real trouble.

Job loss, unemployment, unexpected illnesses, sky-rocketing medical bills, inadequate or non-existent health insurance, divorce, foreclosures, evictions, lawsuits, judgments, garnishments, high-interest loans, crushing credit card debt, and a downward spiraling stock market, causing depleted savings and retirement accounts – these are a few of the reasons why people are suffering and struggling to survive.

Absent a winning lottery ticket (we discourage even legalized gambling) or a rich uncle to provide a bailout (Uncle Sam?), people ought to be aware of some sensible solutions for managing debt. Communication with lenders and other creditors is important. Reasonable payment arrangements or compromise settlements can often be negotiated if both sides act in good faith. Interest rates can be lowered, loans can be extended and payments lowered, or even deferred, if both sides cooperate. But when the creditors and their collectors choose to play hardball – by making unreasonable demands, threatening or filing lawsuits, repossessing cars, seizing other property and foreclosing on homes, people can panic – *or they can step up to the plate and take control of their financial future!*

Save your home from foreclosure. The Bankruptcy Code, and in particular, **Chapter 7** and **Chapter 13**, offer opportunities to obtain a discharge (forgiveness) of certain debts, while retaining and protecting exempt property from creditors. For people within certain income limits, their attorney may recommend a Chapter 7 bankruptcy, which can provide a discharge of unsecured debts and “fresh start” in as little as four months. Through a Chapter 13 bankruptcy, people can sit down with their attorney, prepare and propose a plan to repay all or some of their debts over a period of time, usually within 3 to 5 years, while retaining (or surrendering) their possessions and keeping their home. During the time that a court-approved (confirmed) Chapter 13 Plan is pending, and the debtor is making timely payments to a Chapter 13 Trustee, an Automatic Stay ordinarily remains in effect to prevent any creditor contact or collection activity. At the conclusion of a successful Chapter 13 Plan, any unpaid debts may be discharged.

We encourage you to contact our office at **(630) 980-8333** to schedule an appointment for a free office consultation, to learn more about bankruptcy options available to both individuals and businesses under federal law.

This article courtesy of the Law Office of Gregory J. Martucci, P.C.