

Californians Use Bankruptcy Law to Save Their Homes & Get Relief

California homestead bill will increase homestead exemption during the COVID-19 financial crisis.

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/EINPresswire.com/ -- A new California bill is expected to be signed into law by Governor Gavin Newsom that will provide relief to struggling California homeowners by allowing them to keep equity and ownership of their homes, even when filing for bankruptcy protection against other creditors.



California Governor Gavin Newsom helps people keep their homes during COVID-19

The bill is California Senate Bill 832 (CASB832), or the “Homestead Exemption,” and is meant to protect the homeowner from creditors forcing the sale of their home in order to pay off other debts, like credit cards and medical bills. The Homestead Exemption was initially passed 45 years ago and could cover the full value of most homes at the time, but hasn’t been adjusted since. Today it covers only about 15%, but this new bill is intended to significantly increase the protection and bridge the gap.

Many Southern California homeowners have already prepared to save their homes using Chapter 7 bankruptcy protection as a tool to keep the family intact in their homes. Considered one of the top bankruptcy attorneys in California with more than 4 decades at his own practice, bankruptcy attorney David Weil knows first hand.

“In the 45 years I have practiced in the bankruptcy field, this new homestead bill will have the greatest beneficial impact on keeping debtors in their homes. Seniors, for example, crippled with overwhelming medical bills and other debts will now be able, in many situations, to file a Chapter 7 bankruptcy, discharging their unsecured debt, while being able to protect and keep their substantial equity in their family home.”

Given the Covid-19 pandemic and the loss of many jobs this bill, once signed and implemented, may be the single most important change for homeowners in bankruptcy proceedings in

California since 2005. This now sits on the Governor's desk awaiting his signature. Once it becomes law this will be incredibly beneficial to debtors faced with filing bankruptcy and being allowed to keep their homes.

Attorney and bankruptcy expert David Weil expects a flood of new bankruptcy filings to hit California courts as a result of the Covid-19 pandemic. "For those experiencing dire financial situations from the COVID19 pandemic, true financial relief can be found in our bankruptcy laws, and we're prepared to help California homeowners understand how these laws are designed to protect them."

Specifics about California Senate Bill 832: CASB832 is an act to amend Section 704.730 of the Code of Civil Procedure, relating to enforcement of judgments. Existing law provides that a specified portion of equity in a homestead, as defined, is exempt from execution to satisfy a judgment debt and prescribes that the amount of the homestead exemption is either \$75,000, \$100,000, or \$175,000, depending on certain characteristics of the homestead's residents. The new bill, if signed into law, would instead make the homestead exemption the greater of \$300,000 or the countywide median sale price of a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed \$600,000. These amounts would adjust annually for inflation.

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About bankruptcy attorney, David Weil: Mr. Weil brings over 45 years of bankruptcy experience having filed nearly 20,000 bankruptcy petitions in his illustrious career. Bankruptcy involves unique, time-sensitive procedures, and valuable rights can be lost for failing to act judiciously. Mr. Weil has the experience to guide individuals and businesses through the often-complex bankruptcy process and he is proud of the trusted reputation he has built within the local community. Mr. Weil was also afforded the privilege of being a sports attorney for a number of professional football players in the NFL, negotiating lucrative contracts on their behalf.

About Schmidt National Law Group: In his 35 years as a trial attorney, Martin Schmidt has represented many victims of defective drugs as well as those injured by defective products and personal injury accidents. Martin Schmidt has been recognized as a leading personal injury attorney, having been chosen as one of the "Top 100 Trial Lawyers" for the state. Schmidt National Law Group is a personal injury firm located in San Diego, California, and its attorneys represent victims of all types of injuries.

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