



Bankruptcy: After the Dust Settles

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Attorney at Law

In 2005, Congress made the first major changes to the bankruptcy code in many years. While it will take time for the “dust to settle” as the Courts interpret the new law, bankruptcy remains an option for the “honest debtor” in hopelessly difficult financial straits. Unlike the old law, debtors must participate in consumer credit education before filing and must not exceed new income standards to file a Chapter 7 bankruptcy. Those who exceed the income standards may file a Chapter 13 reorganization bankruptcy to restructure their finances.

Congress has focused more emphasis on limiting bankruptcy relief to the “honest debtor” and protecting creditors. In the past, persons could file Chapter 13 reorganizations to escape liability for criminal activity and fraud. In most situations, that is no longer available.

Likewise, Chapter 11 business bankruptcies are subject to new requirements to protect creditors, but are still available to financially strapped businesses. For example, Congress has limited the trustee’s rights to force creditors to pay back “preferential” payments made within the last 90 days before bankruptcy.

If you are in serious financial difficulties and cannot work out other arrangements with creditors, you will still want to look at your options in bankruptcy. Bankruptcy is, and should be, an act of last resort for a debtor who cannot handle his/her debts due to financial setbacks, divorce, health issues or other reasons. If you are a creditor in a bankruptcy, you will want to re-examine your rights under the law.

Cunningham Dalman, P.C. is a full service law firm located in Douglas, Michigan, as well as in Holland, Michigan. Our attorneys possess skill and experience in bankruptcy matters as well as a broad spectrum of other areas of practice, and have proudly served the lakeshore community for over 100 years. Contact us at 269-857-7879.

Of Special Note:

We are pleased to announce that Gregory J. McCoy and P. Haans Mulder have been promoted to Partner.

Greg has been with us for 9 years and concentrates his practice in the areas of business law, employment law, tax, estate planning and civil litigation.

Haans has been with us for 5 years and concentrates his practice in the areas of estate planning, business law and real estate.

Greg and Haans both work out of our Holland location.



Gregory J. McCoy



P. Haans Mulder

COME JOIN US FOR A SEMINAR!

Topic: Buying & Selling Real Property
in Michigan

Date: 01/27/2006

Time: 3:00pm-5:00pm

Location: Laketown Golf
& Conference Center

Presenter: Randall S. Schipper