

Bankruptcy and Exempting Equity of Your House in Georgia

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Filing bankruptcy is a scary decision for some people who own a house in Georgia. The truth is that housing prices are extremely depressed so much in Georgia that almost no one needs to worry about the value of their house being too high.

However, some people actually have homes where the mortgages have been completely paid off. In Rome, Georgia, some houses sell for as little as \$40,000.

On occasion, I will meet with an older couple who has no debt on their house but they owe a lot in credit cards.

Earlier this week, I received a call from a potential client who was upset because he mistakenly thought that he could exempt only \$21,500 of the value of his house. Since he was married, I informed him that he could actually exempt \$43,000.00 even though the house was in his name only. He worried that he needed to run out and add his new wife to the deed. He was a bit relieved when I informed him that this was not necessary.

He claimed to have read something on the internet which contradicted the advice I was giving him. As a result, I decided to write a blog on this topic and quote directly from the Georgia Code.

In section 44-13-100 of the Georgia code, it states in section (1) that you can exempt "the debtor's aggregate interest, not to exceed \$21,500.00 in value, in real property or personal property that the debtor or dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or dependent of the debtor uses as a residence, or in a burial plot for the debtor or a dependent of the debtor. In the event title property used for the exemption provided under this paragraph **is in one of the two spouses who is a debtor** (emphasis added), the amount of the exemption hereunder shall be \$43,000.00".

If you have a question about how Georgia bankruptcy exemptions might affect you, why not take advantage of a free consultation and meet directly with me? We can go over your entire situation and weigh the pros and cons of filing bankruptcy.