

Testimony in support of better protections for consumers in bankruptcy

I am a practicing bankruptcy attorney representing debtors. Prior to representing debtors, I spent one year representing Ronald Sticka, Chapter 7 bankruptcy trustee, and several months as an attorney for a collection firm. I also spent two years in the Attorney General's Office representing the Department of Human Services in child abuse and neglect cases.

I believe strongly that Oregon residents deserve better protection for their assets in bankruptcy. Oregon's exemptions are the least protective I've come across. One way to improve our exemptions is to allow Oregonians the option to use federal exemptions for bankruptcy (as does Washington). Because of Oregon's low protected amounts, I advise many of my clients to sell or borrow against their cars before they file bankruptcy because otherwise they would lose them in the bankruptcy. I advise this whenever a debtor has more than **\$3,000** equity in a vehicle. Selling or borrowing against their own vehicles is traumatic, time consuming, expensive and bizarre! It is also the only legal way to avoid surrendering their vehicles to the bankruptcy. The majority of the time, the equity in the vehicle is the **ONLY** unprotected asset my clients own. My clients notice, and I agree, that reliable transportation is crucial when resources are tight. In many cases, \$3,000 will not buy a reliable car. The Federal exemptions offer a few hundred dollars more on vehicles, and more importantly allow debtors to use some of their unused homestead exemption to protect their vehicle. The ability to transfer protection from something my client does not own to something crucial (like their vehicle) is an important step in ensuring that people who file bankruptcy have a fresh start *and* the ability to get to work!

Thank you for your time and clear attention.

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