

Good Morning Ladies & Gentlemen:

My name is Dennis Boardman. I have been an Oregon Bankruptcy lawyer for 33 years and am a resident of Hillsboro. I write to ask for your support of HR 3174.

When an Oregonian files for Bankruptcy, ORS 18.300 prohibits an election between the Oregon and the Federal exemptions. HB 3174 allows that election once again.

Here is a bit of background. When a Bankruptcy is filed, the person keeps assets that are "exempt." All States provide exemptions and so does Federal Bankruptcy law. If no exemptions were available, the person would have to turn to the State for support; the idea being that when you get to keep some assets, you are not a burden to the State and you are better able to make a "fresh start."

The Bankruptcy Code allows a debtor to choose either State Federal exemptions. The Code allows a State to opt out of allowing this choice. Oregon opted out years ago. (see the current ORS text below.)

Of course a resident who files Bankruptcy is often at the bottom of the economic ladder. The Federal exemptions are more generous and would allow the Debtor to protect more assets than current OR law. Over the last 33 years, so many of my clients would have benefited from the repeal of ORS 18.300. To them, the small amount of assets protected from surrender to the Trustee impact their lives greatly.

A repeal of ORS 18.300 election to "opt out" of the Federal exemptions will give much relief to struggling Oregon residents with little or no impact on their creditors.

Bankruptcy trustees "eat what they kill". In other words, if they can defeat a claim of exemption and grab, say a small tax refund, they make a commission. This bill will lessen their ability to take small amounts of assets, leaving that money in the hands of struggling debtors. Thus, I expect to see some push back on this change from the Trustees.

Please do whatever you can to support HR 3174.

If I can answer any questions you may have about this bill, or anything else you may think I have insight on, please call or email me.

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