

HB 3520

From the Desk of  
Representative  
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## Comparison of Common Oregon and Federal Exemptions

Type of Exemption	Oregon	Federal
Homestead	\$40,000 or \$50,000 joint	\$21,625 or \$43,250
Wildcard	\$400	\$1,150 plus up to \$10,825 unused Homestead applied to any other property
Automobile	\$3,000	\$3,450
Household Goods	\$3,000	\$11,525
Tools of the Trade	\$5,000	\$2,175
Jewelry	Part of clothing	\$1,450
Clothing	\$1,800	None (wildcard)
Life Insurance	Full if estate is not beneficiary	Full if not matured
Life Insurance Loan Value	Full	\$11,525
Firearms	\$1,000 total value of one rifle or shotgun and one pistol	None currently (HR 5627 is pending and would allow up to \$3,000 for one firearm)
Bodily Injury Claims	\$10,000	\$21,625
Professionally Prescribed Health Aids	Full	Full
Domestic Animals	\$1,000	None (wildcard)
Books, Pictures, Musical Instruments	\$600	None (wildcard)

The most commonly used exemptions are similar and roughly comparable in the federal and Oregon exemption statutes. The single most important difference between the two is the federal wildcard exemption available to individuals in bankruptcy under 11 USC §522(d)(5). The wildcard, which can be applied to enhance most other exemptions or to cover otherwise non-exempt assets, permits the debtor to keep assets worth up to \$11,975 for an individual or \$23,950 for a married couple filing jointly. Oregon allows \$400.

Federal bankruptcy exemptions along with many other dollar limitations set forth in the bankruptcy code are automatically adjusted every three years pursuant to 11 USC §104(a) to keep pace with the Consumer Price Index for All Urban Consumers published by the US Department of Labor.

Federal law provides an extensive set of exemptions that apply to many types of financial assets or government benefits. The exemptions listed in the above chart are specifically limited for use in bankruptcy and are only a partial list of the bankruptcy statutes contained in Title 11 of the United States Code. These exemptions are the most often used and most closely analogous to common exemptions under Oregon law.

## **About People Who File Bankruptcy**

Institute for Financial Literacy 2010 Consumer Demographics Report

- **More than 55% are 45 year old or older;**
- **More than 79% are Caucasian – white;**
- **About 64% are married;**
- **More than 40% have no education beyond high school;**
- **Nearly 60% have income of less than \$30,000 per year;**
- **More than 38% have income less than \$20,000 per year;**
- **Less than 10% have income of more than \$60,000 per year; and,**
- **Nearly 60% were employed when they file;**
- **An additional 10% were self employed;**
- **Only 16% considered themselves unemployed.**

What are the causes of their bankruptcy? While more than one factor may prompt a bankruptcy filing, here are the major causes cited in the survey.

- **Unexpected Expenses in more than 56% of cases;**
- **Reduction of Income in nearly 65%;**
- **Job Loss in more than 43%**
- **Illness or Injury was reported in approximately 31%;**
- **Overextension of Credit was present in 70.5%**

The above statistics make it clear why some people overextended their credit. The majority of them were trying to pay medical bills or other unexpected expenses in the face of a reduction of income or job loss.