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## NY law to help residents keep homes

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More New Yorkers will be able to save their homes when filing for bankruptcy thanks to a recent change in state law.

Residents can now shield \$50,000 in home equity, up from \$10,000, when declaring bankruptcy. The figure jumps to \$100,000 for homes owned by a couple.

Before the change, those who

sought Chapter 7 bankruptcy protection — which frees filers from many debts — risked having their homes sold by a bankruptcy trustee if they had more than \$10,000 in equity. The trustee would use the proceeds to pay off filers' debts, leaving them with only \$10,000 to find a new place to live.

The higher homestead exemption better reflects New Yorkers' home equity values, which have soared in the recent real es-

tate boom. Until the change, the state had one of the lowest exemptions in the nation, bankruptcy attorneys said.

"The increase will substantially benefit consumers because fewer of them will risk the loss of their house if they file for bankruptcy," said Joseph Maniscalco, partner at LaMonica Herbst & Maniscalco in Wantagh.

Those who held off filing for bankruptcy may want to recon-

sider, especially before Oct. 17, when the new federal bankruptcy law takes effect, experts said. After that it will be much harder to file for Chapter 7 protection. Maniscalco will discuss changes in the homestead exemption and federal bankruptcy law at 7 p.m. Monday at the Nassau County Bar Association in Mineola.

Also, those who recently sought Chapter 13 protection, where filers pay back their

debts over several years, could look at converting to Chapter 7, said Craig Robins, a bankruptcy attorney in Westbury.

The new law also benefits those with civil judgments against them, said Ronald Terenzi, senior partner at Berkman Henoch Peterson and Peddy in Garden City. Creditors can sell homes to pay off judgments. Now, defendants with up to \$50,000 in equity can protect their homes.