

MONEY MANAGEMENT

HOW TO FILE FOR PERSONAL BANKRUPTCY

Reno - Although declaring personal bankruptcy will enable you to rid yourself of most debt, it won't free you from all your financial responsibilities. Before deciding to file for bankruptcy, the Nevada Society of CPAs urges you to take the time to understand the bankruptcy process and to thoroughly review your alternatives under the Bankruptcy Code. This will give you a better understanding of how a bankruptcy filing will affect your

current and future financial situation.

To begin the bankruptcy process, file a petition in bankruptcy court. You'll need to complete "schedules" or papers that contain information on the amount of your debt, your assets, income, and other relevant information. Be sure these papers are as complete as possible. A debt that is not listed cannot be discharged, and failure to identify assets could be

grounds for dismissing your case. Once a bankruptcy petition is filed, a court order will prevent creditors from taking action against you.

BANKRUPTCY OPTIONS

The Federal Bankruptcy Code gives you several personal bankruptcy options. The type you choose will depend on your income, the type of property you own, and the kind of debt you have. The two most common filings are Chapter 7 or Chapter

13. If you have little or no steady income and large debt, filing a Chapter 7 Bankruptcy may be the most expeditious route to getting on sound financial footing. However, it's not without its consequences. For starters, once you file for Chapter 7, you lose control of your assets. A court-appointed trustee is responsible for disposing of your property and using the proceeds to pay back as much of your debt

as possible. Any debt that is not paid off is usually discharged and you never have to pay it back.

Certain property is "exempt" — meaning it cannot be used to pay creditors. Under federal law, exempt property includes \$7,500 in home equity; all household goods, such as appliances, worth less than \$200 each; up to \$1,200 in automobile equity; and \$400 in other assets. These exemptions are doubled for couples who file joint tax returns. In addition, creditors cannot tap into your life insurance policies, nor can they usually touch accrued pension benefits. Be aware that some states have additional laws regarding exempt property.

Chapter 13, on the other hand, requires bankruptcy filers to reorganize their debts and pay off some of all of the bills over a three- to five-year period, during which creditors are barred from taking any action. Also, Chapter 13 filers are not required to sell property to pay off debts.

Filing under Chapter 13, which is sometimes referred to as the wage-earner's plan, is designed for those who have regular income but who are

unable to make full payment on their bills. It is limited to individuals who do not owe more than \$100,000 in unsecured debts or more than \$350,000 in secured debt. Keep in mind that certain debts, such as alimony, child support, federal income taxes, and some student loans, are not discharged under either chapter of bankruptcy.

THE AFTERMATH

Life after bankruptcy means living without credit for a while. Although a bankruptcy will remain on your credit record for ten years, you can usually obtain some form of credit within a few years. Because you are generally still considered a high risk, banks may charge you a higher interest rate or require that you have a co-signer for a loan or a line of credit.

CPAs recommend that as soon as possible after bankruptcy you establish a realistic budget for you and your family. Be sure your budget provides a means for you to set up an emergency fund equal to about a year's worth of your living expenses. This may help to prevent a future bankruptcy filing.

PROMINENT AFRICAN AMERICAN BUSINESS LEADERS TO BID FOR NEW PCS SPECTRUM

New York, NY — Sydney L. Small, chairman of NBN Broadcasting, announced the formation of Urban Communicators PCS Limited Partnership, a company that will bid for Personal Communication Services (PCS) licenses throughout the

United States. The Federal Communications Commission (FCC) will auction 120 MHz of radio spectrum for PCS in each market of the United States. Current FCC plans call for the bidding process to begin later this year.

While some PCS services, such as cellular telephone service, are offered over existing wireless network systems, the FCC has opened a newly licensed PCS spectrum. Sydney Small stated, "It is this new PCS spectrum that Urban Communi-

cators PCS Limited Partnership will bid for in markets across the country. The partnership will bid for licenses either on its own or in joint arrangements with other applicants."

PCS is a broad range of telecommunication services for residential and business customers that will enable people and devices to communicate directly, eliminating the need for physical wired connections to the house, car, or office. PCS encompasses a wide variety of wireless technologies, including: cellular telephones, paging devices, micro-cellular personal communications networks, wireless PBX and Centrex Systems (in-office), mobile data and enhanced specialized mobile radio, satellite-based systems, etc.

Currently, over 16 million people use cellular phones for vehicular and public mobility, and almost 50% of all homes have

JOB CORPS GIVING YOUTH A CHANCE FOR CHANGE

The world's oldest, largest, and most cost-effective and successful residential training program for economically disadvantaged youth is marking its 30th year, and contractors, including Alpha Kappa Alpha (AKA), are celebrating.

minute after Congresswoman Edith Green convinced Job Corps planners that more women were destined to become heads of households and needed the skills to make it in the job market.

Since that time, a number of changes have occurred throughout the Job Corps network, and AKA was on the cutting edge of many. Thirty years ago, the program essentially taught stu-

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"We have been part of the Job Corps story almost from the beginning, and we are proud of the role we have played in helping at-risk youth complete their education and find jobs," said AKA international president Dr. Mary Shy Scott of Atlanta, Ga.

AKA was the first women's group to receive a contract for the program which has become an integral part of America's employment and training system. It has operated the Cleveland (Ohio) Job Corps (CJCC) since 1965 when CJCC opened as the first all-female center. Its creation and that of subsequent female centers came at the last



SMILES OF SUCCESS—Reflecting on Job Corps' 30 years of preparing disadvantaged youth for the demands of the work world at a May celebration (L-R) are Peter Rell, national director of Job Corps; Dr. Mary Shy Scott, president of Alpha Kappa Alpha (AKA), the first women's group to receive a contract to operate a Job Corps center; and B.T. Jones, president of MINACT, an AKA subcontractor.

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