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SEPTEMBER 2015 NEWSLETTER

## DEAR FRIENDS AND COLLEAGUES: TEXAS EXEMPT PERSONAL PROPERTY NOW \$50,000 SINGLE & \$100,000 FOR A FAMILY!

### TEXAS HAS REALLY AMAZING EXEMPTION LAWS!

If you file bankruptcy or have a court judgment rendered against you, a bankruptcy trustee or judgment-creditor can generally seize your assets, i.e. what property that you own. But they cannot seize your property that is considered “exempt” by law.

Texas is likely the best place to be – anywhere - if you are in debt. In early times, people would write in chalk on their cabin door “GTT” for Gone to Texas, and their creditors would know that it was useless to try to chase them and collect their money.

For example, the amount of personal property that cannot be seized by a bankruptcy trustee or judgment-creditor just increased in Texas on Sept. 1, 2015, from \$30,000 to \$50,000 for a single person, and from \$60,000 to \$100,000 for a family. H.B. 2706, amends Tex. Prop. Code 42.001.

There are some limits, such as the property claimed as exempt must be among a certain list, such as household goods and furniture, a vehicle for each licensed driver, clothes and food, two guns, tools of trade, vehicles used in a trade or business, and certain other things.

Of course a good-sized pickup truck these days can cost \$40,000 or \$50,000. But the exemption limits do not count the lien or the debt against a vehicle, for example, which is still valid against the exempt property. So if you owe \$35,000 on a \$40,000 truck there is only \$5,000 in equity that counts against the new exemption limits of \$50,000 for a single person, \$100,000 for a family.

These exemption limits do not apply to your homestead. We also have an unlimited homestead exemption in Texas, so long as your home is not on more than 10 acres of land in an urban area, 100 acres for a single person in a rural area, 200 acres for a family in a rural area. It can be worth \$1 Million. Or more!

Also exempt are things that come from “prairie times” that still may be useful if you live in the country such as two horses, mules or donkeys; 12 head of cattle; 60 head of other livestock; 120 fowl, farming equipment and implements and household pets. Other exempt property in Texas includes retirement plans and IRA’s; life insurance; and annuities. You could really be quite a wealthy person in Texas and have all of your property exempt from seizure from creditors.

But there are certain limitations that apply to transferring assets from non-exempt to exempt status, so please get an experienced attorney’s advice if you are trying to protect property from creditors or a bankruptcy trustee using exemptions.

And since our exemption laws had their roots in our prairie past, there is no exemption for cash on hand, stocks and bonds or money in the bank. None of these things were needed in those days and they are all subject to seizure by creditors. ■



**Some Texas exemptions were more suited to prairie days. For example, 12 head of cattle are safe from seizure to pay debts. Yee-haw!**

### Quotes:

Live life as if everything is rigged in your favor.  
--- Rumi

There is little difference in people, but that little difference makes a big difference. The little difference is attitude. The big difference is whether it is positive or negative.  
--- W. Clement Stone

Trust the still small voice that says, “This might work and I’ll try it.”  
--- Diane Mariechild

*We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt and credit problems, including, when necessary, helping them file bankruptcy under the U.S. Bankruptcy Code.*

## A LITTLE HUMOR – the Words of (questionable) inspirational value edition

Affirmations can guide us in our lives with motivation or inspiration. Some, though, may have the opposite effect:

- I assume full responsibility for my actions, except the ones that are someone else's fault.
- My intuition almost always makes up for my lack of good judgment.
- I am grateful that I am not as judgmental as all the self-righteous jerks around me.
- I don't have to suffer in silence when I can still moan, whimper, and complain.
- Forgiveness is cheaper than a lawsuit, but not nearly as gratifying.
- I am at one with my multiple personalities.
- Why should I waste my time reliving the past when I can spend it worrying about the future?
- I am willing to make the mistakes if someone else is willing to learn from them. ■

## Identity Theft of the Deceased?

### I thought I had heard everything

How creepy. I thought I had heard everything in 33+ years of law practice, but identity thieves are apparently now targeting people who have passed away.

It's called "ghosting" although I would be tempted to call it "ghouling." ID thieves open up credit accounts and run up the bills of dead people for as long as they can get away with it.

What is the real harm if the person is deceased? Besides the monetary harm to the banks or other defrauded creditors, who will likely pass the costs on to all of us, it can be a real mess for the survivors. The creditors could try to collect from the deceased person's estate, or bill collectors could pester the survivors for years seeking payment. It is likely far less hassle to protect the deceased person's credit than to untangle a lot of fraudulent charges.

How to stop it? Common advice is to keep the obituary simple, without details such as home address, date and place of birth, mother's maiden name and other personal details. With those details, ID thieves may be able to obtain the deceased person's Social Security number and clean out their

accounts, open new accounts and apply for government benefits.

To help prevent ID theft of a deceased person, Consumer Reports recommends that within 10 days of the death, obtain copies of the death certificate (good luck with that in Harris County) and notify the three major credit bureaus, the Social Security Administration, and the I.R.S. If you are the representative of the deceased's estate, you should also file Form 56 with the I.R.S. Also, notify your state's Department of Motor Vehicles to prevent an ID thief from applying for a driver's license or state ID card in the name of the deceased. ■



## Visit our "new" website [jthomasblack.com](http://jthomasblack.com)!

We did a complete re-design of our website to make it easier to navigate and easier to find what you are looking for. You can contact us, make an appointment with us, fill out our questionnaire, make a payment, use our search feature to search the entire site, and you can download and read Mr. Black's book and other publications, or request the paper versions.

## **Thank you for your referrals! We accept cases in the following areas-**

- Bankruptcy.
- Debt Collection Defense.
- Debt Collector Harassment.
- I.R.S. Collection Defense.
- Stop Foreclosure and Repossession.
- Student Loan Help.
- Wills and Trusts.

## **ARE YOU IN CHAPTER 13 NOW?**

Always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly. You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to [www.ndc.org](http://www.ndc.org) to set up your user ID and password.

Plan payment too high? Lose job or overtime? It may be possible to surrender property or if your situation has changed to lower your payments. If this is your situation, contact our office for an appointment to discuss a Motion to Modify.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.

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