



Taking Time
Patricia Powley

Living on a Reduced Income -Deciding If Bankruptcy is an Option for you

If you find yourself "over-extended" and have tried financial counseling, budgeting and reduced payments and still can't make headway on your debts, bankruptcy may become an option worth investigating.

When you're incurred more debt than you think you can reasonably be repaid, bankruptcy can be a way to debt relief. Filing for bankruptcy, however, brings long-term consequences for your credit rating.

Bankruptcy Explained

Bankruptcy adjusts the relationship between you as a debtor and your creditors. Many of your debts will be forgiven. You are allowed to keep some property, known as exempt items. The rest of your property is sold and the money used to pay off your debts. Your creditors may receive nothing, a small amount per dollar owed or be paid off entirely. The proceedings take place in federal courts and are governed by federal law.

Keep in mind that bankruptcy is the "ultimate torpedo to

your ship of credit." Bankruptcy will remain on your credit record for ten years. If you file bankruptcy you may not be able to obtain credit even for necessary purchases, such as a car. Once you have filed for bankruptcy, you are not able to file again for seven years.

Bankruptcy no longer carries the social stigma it once did. Yet, many families feel embarrassed and ashamed about declaring bankruptcy. They feel hostility from neighbors and business owners who accuse them of "walking away from their debts."

Deciding to Declare Bankruptcy

If you're considering bankruptcy, contact a lawyer experienced in bankruptcy proceedings. The lawyer can help you prepare necessary documents and file with the court. Discuss attorney and court fees at the first appointment because costs vary.

As you consider bankruptcy, you will have a number of decisions to make. Access your situation to decide if bankruptcy is the best solution to your debt problem. Then, decide which type of bankruptcy to file. The areas to plan carefully are debt repayment plans, exemptions, and tax implications.

There are four provisions in the bankruptcy laws. Chapter 7 is used most often by people who are unemployed or very deeply in debt. Chapter 13 is used by people who have an income. Chapter 11 is for businesses filing bankruptcy. A fourth provision, Chapter 12, was established for farm families.

Chapter 7 Bankruptcy

Chapter 7 is a "liquidation" of nonexempt assets to pay debts. It is also referred to as straight bankruptcy. Through a lawyer you petition the court to have yourself declared unable to pay your debts.

In filing Chapter 7 bankruptcy, most of your honest incurred debts—those not incurred by fraud or intentional harm to another person or property—are canceled (discharged). You receive a fresh start without worrying about past creditors coming to you for payment. In exchange, you surrender all property not exempt under state

or federal law to a trustee who will divide it among your creditors in proportion to what you owe.

As you consider Chapter 7 bankruptcy, take an inventory of your debts to determine which can be canceled (discharged).

Chapter 13

Chapter 13 is known as the debtor-rehabilitation chapter. Under Chapter 13, the debtor who can make regular payments is given the opportunity to propose a realistic plan to pay his/her creditors over three to five years supervised by a trustee. A spouse without regu-

lar income may file joint bankruptcy with an income-earning spouse.

If you file Chapter 13 bankruptcy, your income is used to pay part or all of the debts through a plan filed with the bankruptcy court. The repayment plan must be filed in "good faith" and designed so that creditors receive at least as much as they would have under Chapter 7 bankruptcy.

If you want further information on bankruptcy and procedures for filing, contact your local Bar Association.

Cook's Question

(Continued from Page B5)

ANSWER—For those who wanted the internet number for gingerbread in a jar, here it is thanks to Chris Knisely, Mullica Hill, N.J. A recipe can be found at <http://www.geocities.com/Heartland/Estates/2953/food.htm#jarginger>.

For readers who don't have internet access, here is a recipe.

Gingerbread In A Jar

- 2 1/2 cups all-purpose flour
- 1/2 cup sugar
- 1 teaspoon baking soda
- 1/2 teaspoon baking powder
- 1/2 teaspoon salt
- 2 teaspoons ground ginger
- 1 teaspoon ground cinnamon
- 1/2 teaspoon ground cloves
- 1 cup margarine, softened
- 3/4 cup hot water
- 1/2 cup molasses

Preheat oven to 350 degrees (pan method) or 325-degrees for jars. Grease (use shortening) a 9x9x2-inch baking pan of five crystal jelly jars with straight sides, no bulges in the jars. Also, sterilize the jar by boiling for 10 minutes, leave lids and rings in the water until ready to use; Remove jars and allow to air dry and cool before greasing. Use a pastry brush to grease the jars. Do not use vegetable spray.

In a large bowl, combine flour, sugar, baking powder, baking soda, salt, ginger, cinnamon, and cloves. Stir in margarine, water, and molasses until well blended.

Pour into prepared pan or divide equally among the five jars. Place jars on a cookie sheet or they'll tip over. Pan Method: Bake in preheated 350 degree oven for 40-50 minutes or until cake tester inserted in center comes out clean. Cool slightly on wire rack. Jar method: bake in a preheated 325-degree oven for 35-40 minutes or until cake tester inserted deep into the center of each jar comes-out clean.

Have your lids hot. Take one jar at a time from the oven (using heavy-duty mitts—the jars are hot) and place a lid on, then the ring. Tightly screw on lids. Allow to cool on your counter top. You'll know when the jars have sealed, you'll hear a "plinking" sound. If you don't know when the jars have sealed, then press down on the jar lids, they shouldn't move at all.



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Blue Ball National Bank would like to invite our agriculture customers to the Fifteenth Annual Agricultural Seminar to be held February 4, 1998 at the Blue Ball Fire Hall beginning at 9:45 a.m.

This year's speakers include: Mr. Roland P Freund, Senior Extension Agent, Cumberland County Cooperative Extension; Mr. Thomas Dietrich, President, Dietrich's Milk Products, Inc.; Attorney Gary J. Heim, Attorney At Law, Mette, Evans & Woodside; Mr. John Berry, Extension Agent, Lehigh County Cooperative Extension and Prof. H. Louis Moore, Professor of Agricultural Economics for Penn State University.

The bank will provide lunch. Because of limited space, we can only accommodate those persons who return the coupon at the bottom of this announcement on or before January 23, 1998. Reservations will be taken on a first come, first served basis. (No telephone reservations will be accepted.)

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