

Bankruptcy, Foreclosure, and the Protection of Assets in North Carolina and Beyond

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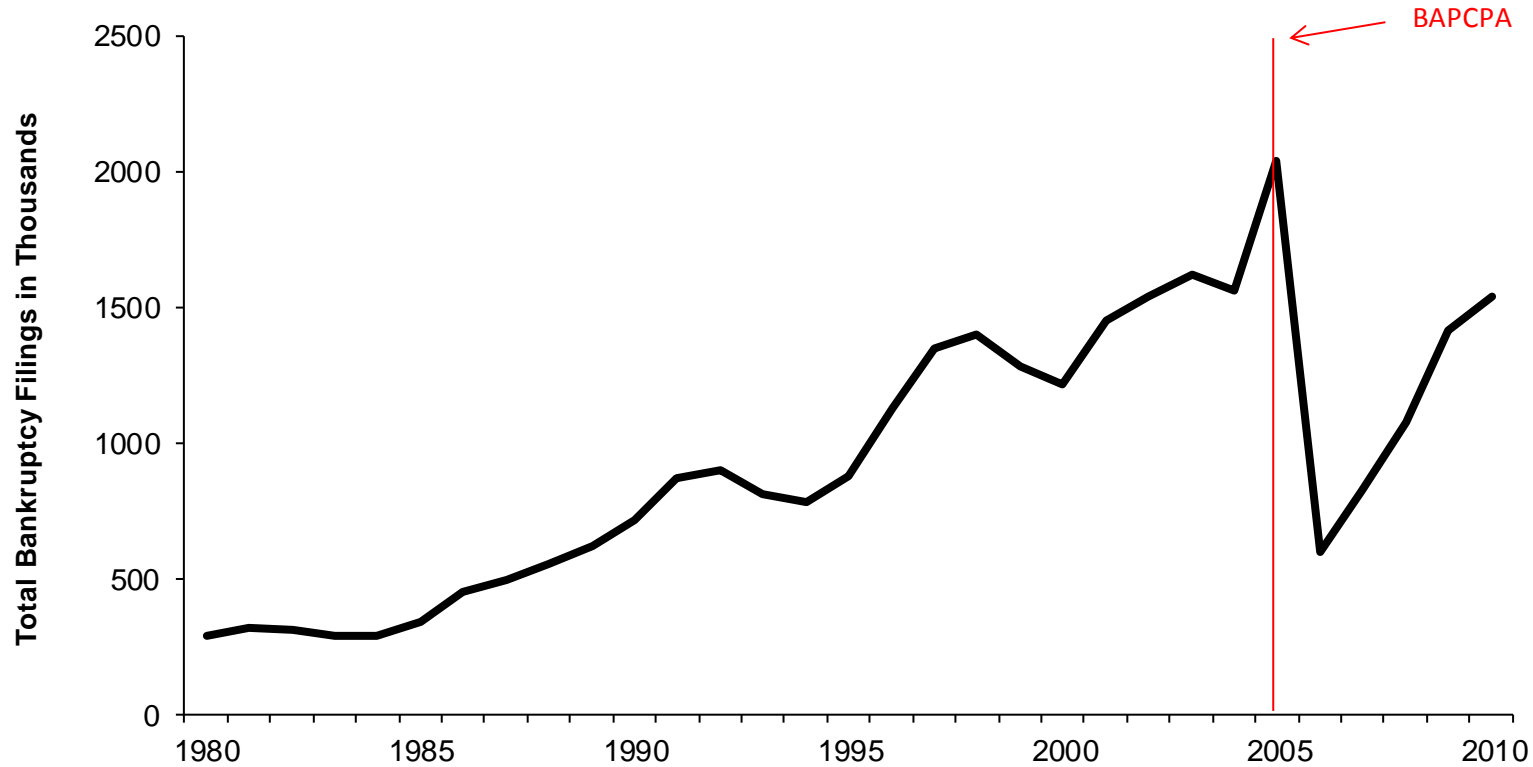
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Bankruptcy, Foreclosure, and the Protection of Assets in North Carolina and Beyond

1. A Snapshot of Bankruptcy Filers – *Melissa Jacoby*
2. Interactive Online Maps – Housing and Debt Patterns in NC Counties – *Kevin Park*
3. Bankruptcy Chapter Choice: 7 vs. 13 – *Mark Lindblad*
4. Does Bankruptcy Protect the Home from Foreclosure? – *Ling Wang*



U.S. Bankruptcies Spike in 2005



Background



~70% of Filers Choose Chapter 7

Chapter 7

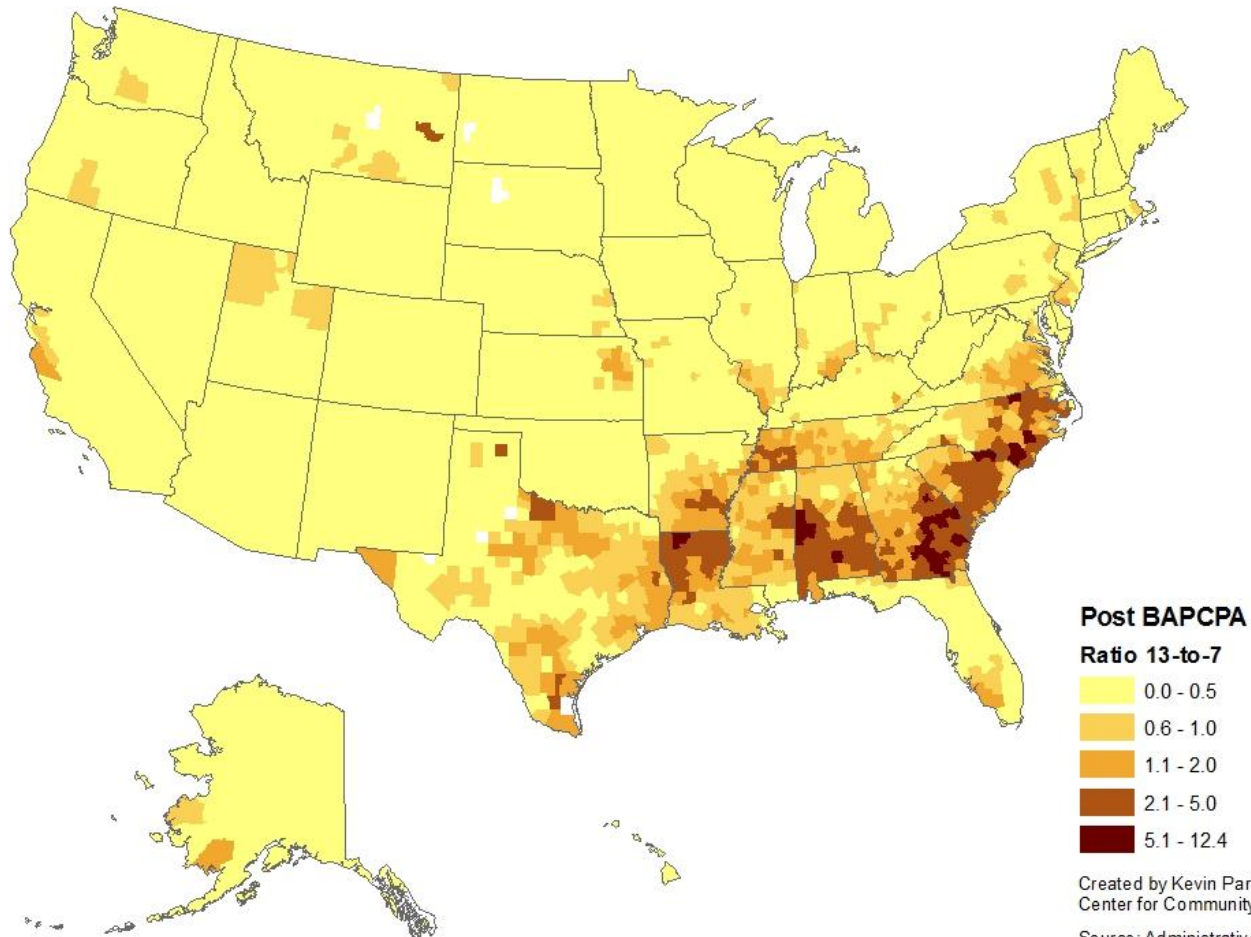
- Discharges medical & credit card bills (unsecured debts) but debtors forfeit assets
- Simpler, Cheaper: ~\$800
- Debt discharged after ~3 months

Chapter 13

- Protects Assets: Save home from foreclosure
- Restructures debt with future payments
- Complex & costly: \$3,500
- Only 1/3 finish payment plan, which can take years. 2/3 have debt reinstated.



Southern proclivity for Chapter 13

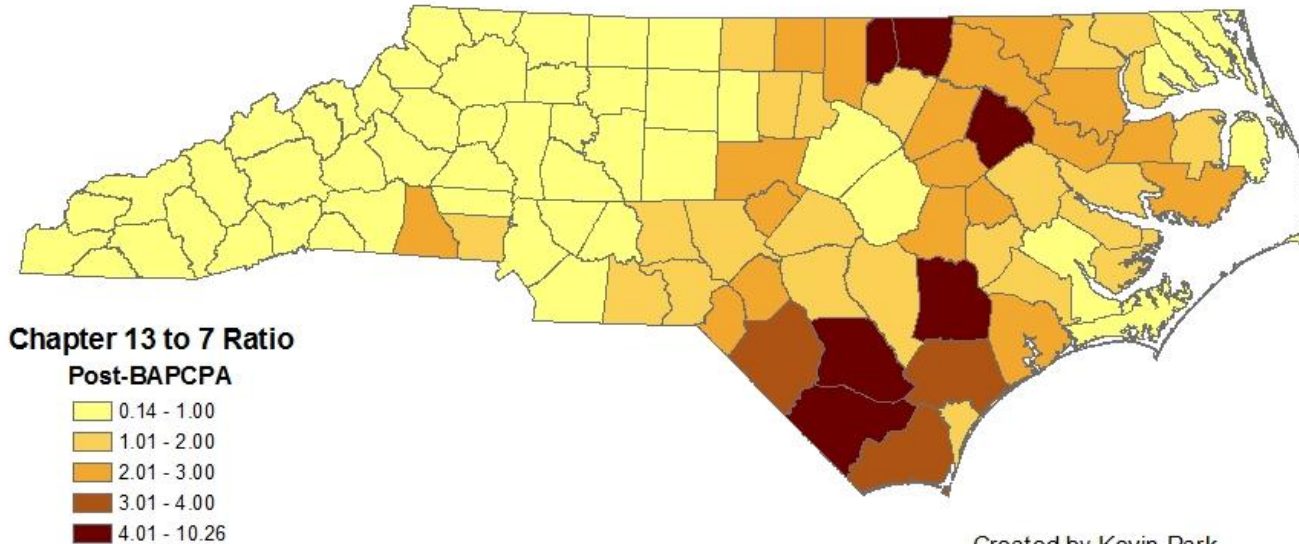


Created by Kevin Park
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Source: Administrative Office of
the United States Courts via
Moody's Economy.com Data Buffet



Chapter 13 proclivity varies *within* North Carolina



Source: Administrative Office of the United States Courts

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Background

Community Advantage Program

Affordable Housing Goals

Self-Help, Ford, Fannie, CCC

Mortgage Originations

Prime 30-year fixed

Loans: 97% of House Value

54% w/Credit Score ≤ 680

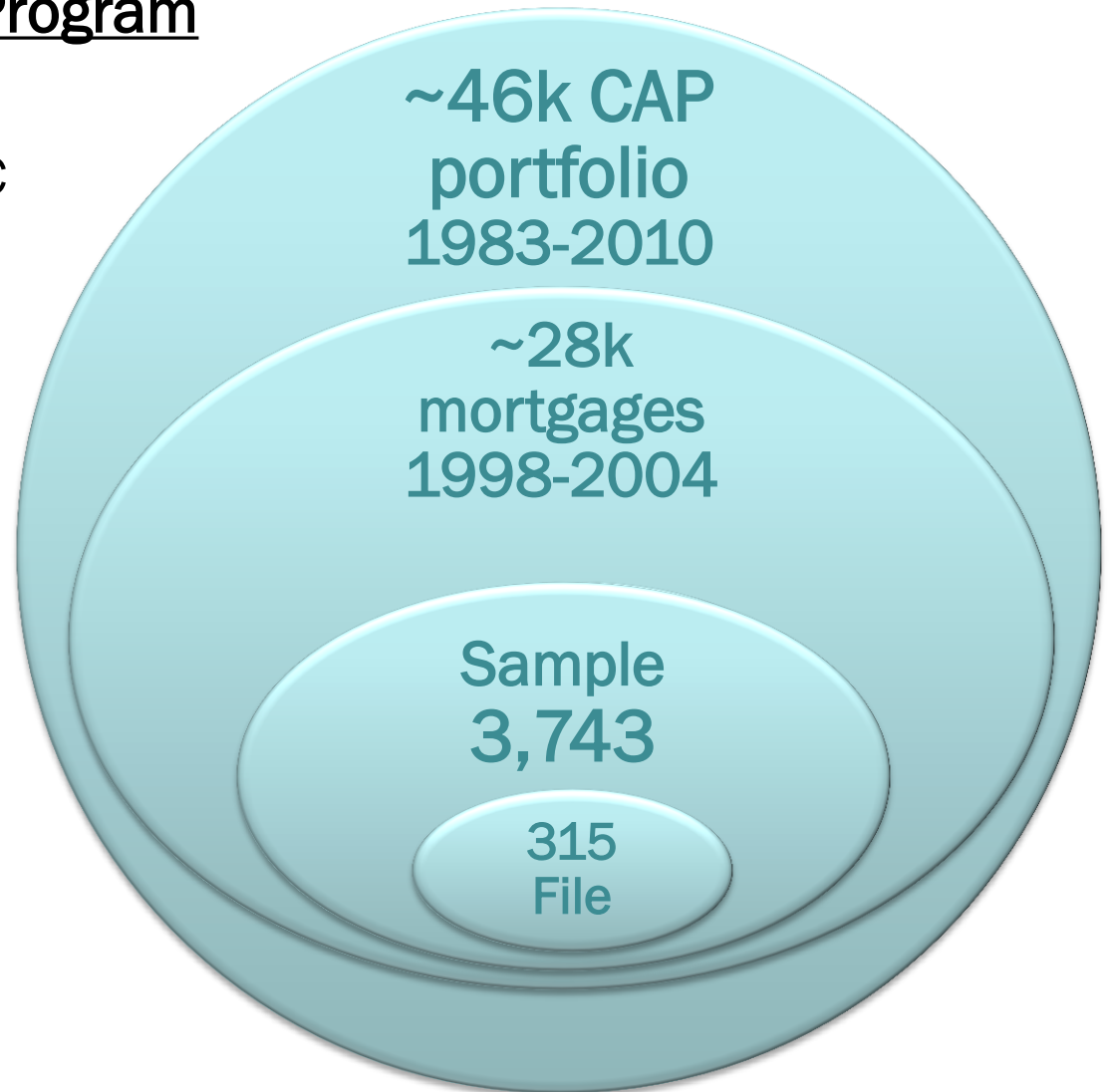
Sample:

Earned 62% AMI

40% minority

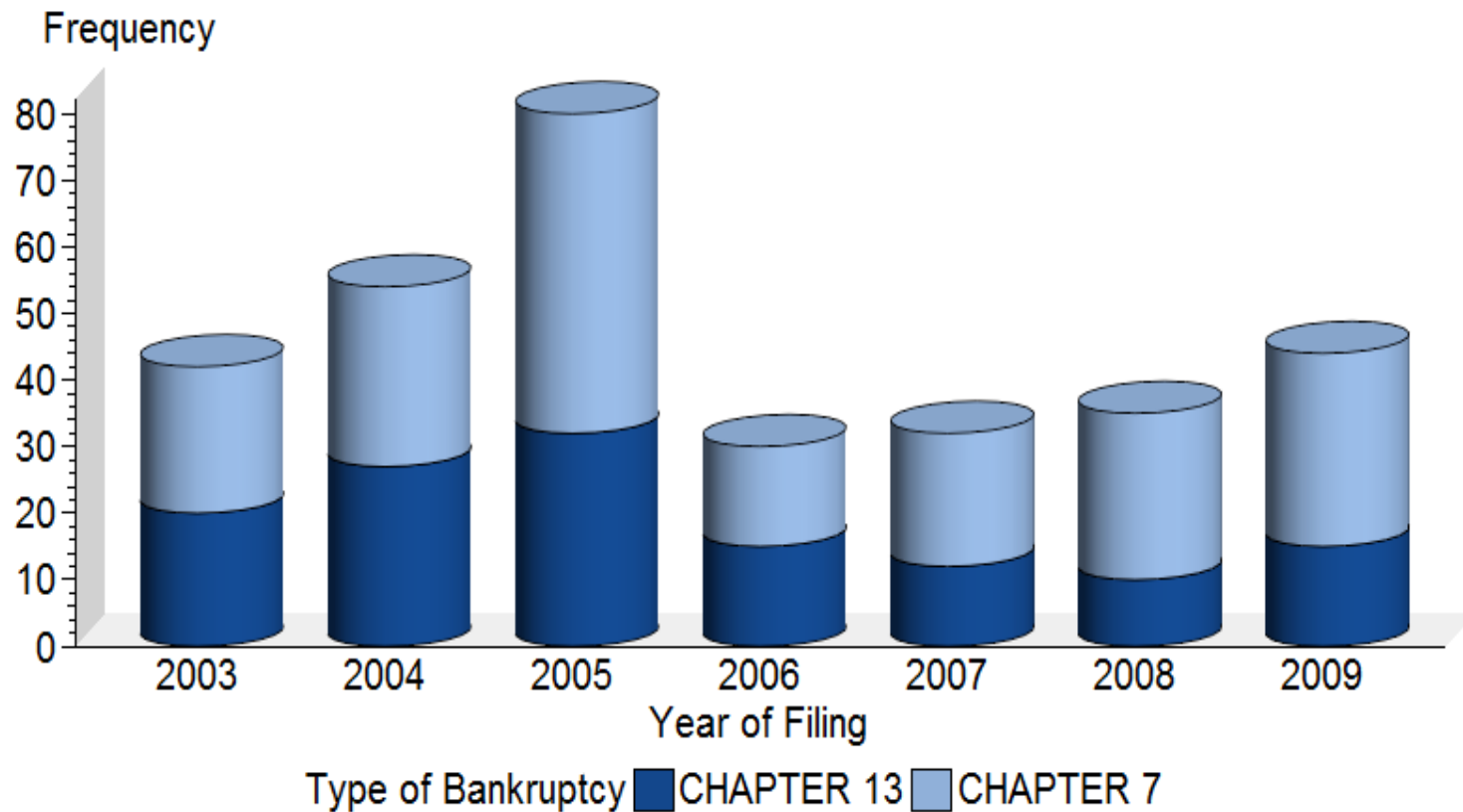
46% female head

53% have children



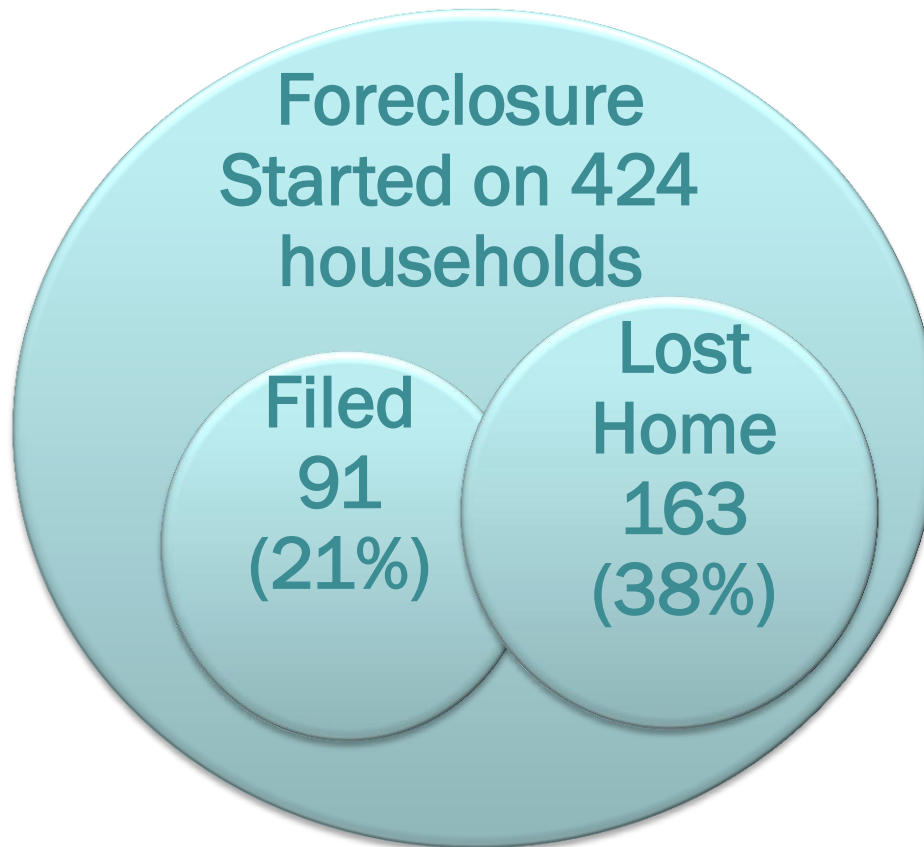


CAPS Bankruptcies Spiked in 2005, despite Incomes below BAPCPA's Means-test



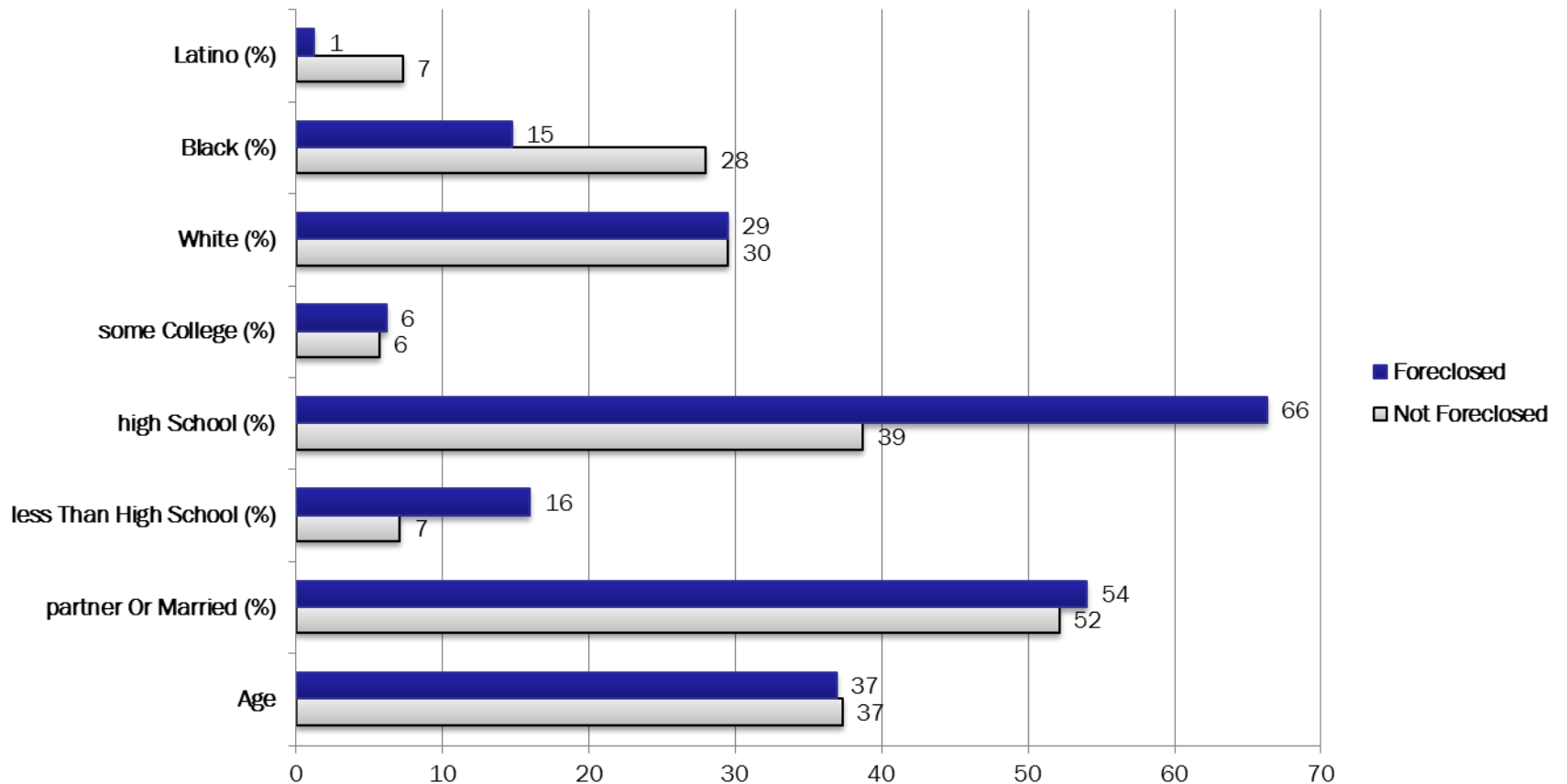
• N=315 Bankruptcies

Sample Bankruptcies and Foreclosure Sales



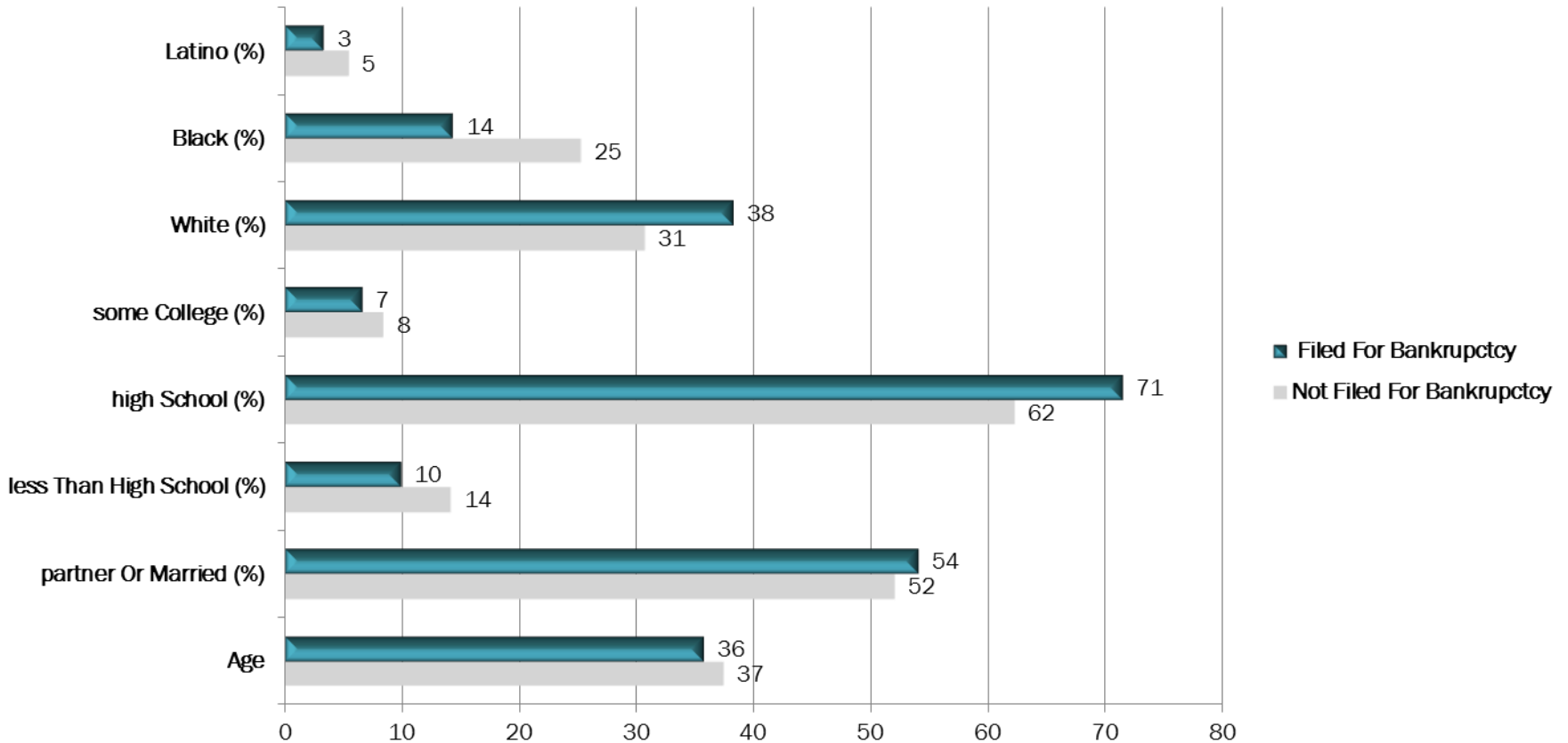


Demographics by Foreclosure Sale





Demographics by Bankruptcy Filing



Interactive Online Maps:

by Kevin Park

<http://www.unc.edu/~kapark/NC/home.html>

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