

**DEBT RELIEF**



**ATTY. LAWRENCE YANG**

# Should you file for bankruptcy relief?

accumulated debt and contractual obligations despite raking in billions of revenues.

How about you? Are you weighed down by too much debt? Is all your income being used to pay debt every month? Do you worry about being able to pay your debt everyday and every night? Are you thinking of selling property to pay debt, or to refinance your house to pay debt? If your answer to any of the preceding questions is "yes", are you currently in a state of denial, just like the CEO's of Chrysler and GM? You might be denying the fact that you are actually bankrupt and in need of bankruptcy relief. But if bankruptcy relief is good for Chrysler and GM, it might be good for you too.

Let's take a look at your case. You own a house with a first trust deed balance of \$400,000. You pay Countrywide \$3,500 monthly, excluding tax and insurance. You have heloc of \$50,000. You pay Countrywide \$500 monthly. You lease a MB 300 at \$400 monthly. Your wife pays Toyota \$500 a month for her Highlander. You owe credit card debt of \$50,000. You make minimum payments of \$1,200 monthly. So far, the total for the foregoing is \$6,100. On the income side, you make net \$3,000 as an LVN, and your wife makes a net of \$5,000 as an RN. Your total household net income is \$8,000. This is good income and puts your household on the top 20% of households in America. However, we have not yet considered your monthly expenses for food,

clothing, insurances and other necessities. Further, we have not considered the fact that you have a rental property with a first trust deed of \$300,000 and a second trust deed of \$100,000. This property is upside down and you pay another \$3,500 monthly for the trust deeds. But the rent is only \$2,000. Are you bankrupt despite your good income? You finance a deficit of \$1,500 plus \$500 for real estate tax, making a total deficit of \$2,000. This deficit wipes out the entire difference between your net total income of \$8,000 and \$6,100, the total you pay for your house and cars. Yes, you are bankrupt. Even if you deny it, you are, in fact bankrupt.

Your trip to bankruptcy court in a chapter 7 case will allow you to keep most if not all of your assets including your house, cars and retirement accounts while getting rid of all debts that you want to get rid of. You are not going to die with a bankruptcy. On the contrary, bankruptcy will give you a fresh start without accumulated debt and make you productive again. If it works for Chrysler and GM, bankruptcy will also work for you.

If you need debt relief, contact my office. I will analyze your case personally.

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**Lawrence Bautista Yang specializes in bankruptcy, business, real estate and civil litigation and has successfully represented more than five thousand clients in California. Please call Angie, Barbara or Jess at (626) 284-1142 for an appointment at 1000 S. Fremont Ave., Bldg. A-1 Suite 1125 Unit 58, Alhambra, CA 91803.**

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**PROBLEM SOLVED**



**AGNIESZKA DOLINSKA**

**I**N this difficult period of economic instability, it is not easy to be an immigrant in the United States, especially an undocumented one. Never mind the toughening laws and immigration regulations. There is a noticeably growing antipathy against immigrants whether they are here in violation of the law or not. For example, a Boston radio host recently described Mexican immigrants as "leeches" and "the world lowest primitives." Even though his remarks sparked many complaints, he has not been terminated. Clearly, it is acceptable to blame the immigrant population for everything that is wrong in America right now.

However, many undocumented immigrants continue to remain in the United States. It is in a large measure due to their hope that President Obama will bring about a comprehensive immigration reform, which will allow some estimated 12 million illegal immigrants to not only stay in the United States, but also become green card holders and US citizens. But are they foolish to believe that this reform will really happen? Let's look at what we know so far. President Obama's 2010 fiscal year budget proposal includes a \$42.7 billion allocation to the Department of Homeland Security. The Department of Homeland Security (DHS), created in response to the September 11, 2000 terrorist attacks, consists of three major divisions: US Citizenship and Immigration Services (USCIS), Immigration and Custom Enforcement (ICE), and Border and Custom Protection (BCP). The DHS employs over 200,000 employees and is the third largest Cabinet department, following the Department of Defense and Veteran Affairs.

The DHS' s budget is designed to strengthen the nation's security and improve the ability to respond and deal with emerging terrorist threats and natural disasters. The DHS has identified major areas where it believes the new budget will be essential: Safeguarding the United States transportation system – over \$130 million of funds have been earmarked to facilitate public, maritime, and air transportation, including modernization of the infrastructure used to screen travelers and workers

Cybersecurity and Technology R&D – nearly \$400 million will be used to secure private and public cyber infrastructure, including

# Uncertain future in immigration law

improvement of the surveillance technologies

Border Security and Immigration Enforcement and Securities (of the most interest to all of us) – funds will be used to improve and expand an exit pilot at key land ports of entry and to hire more Border Patrol agents. Approximately \$110 million will be provided to continue development of the E-Verify (electronic employment eligibility verification system). Funds will be also allocated for strengthening and delivery of immigration services by streamlining and modernization of application processes.

State Homeland Security Activities – funds will be used to foster and improve communication and coordination between all levels of government.

The new budget will also be used to deal with other key concerns such as expanding efforts to stop the illegal traffic of criminals, weapons, and drugs, creating online welcome programs and English language learning resources for immigrants, and strengthening the overburdened immigration court system.

Clearly the above list of goals and proposals does not look like an amnesty. In fact, despite many speculations and media reports on the possibility of a major immigration reform, the enforcement of the immigration laws has not ceased. For example, ICE, the policing arm of the DHS, has been very actively engaged in tracking down immigration law violators. Some of the ICE's most recent undertakings include targeting employers who continue to hire illegal immigrants (an owner of a Chinese restaurant in Wisconsin was sentenced to 15 months in prison for harboring illegal immigrants last week) and those who smuggle illegal aliens to the United States (a Texas man was recently sentenced to 13 years in federal prison for smuggling Central American women and girls into the United States and subjecting them to forced labor).

The DHS has also amplified its presence at the Canadian and Mexican borders. Many travelers crossing the US/Canada border have observed increased security measures, including closely checking the identification and screening of vehicles via radiation sensors. Starting June 1, 2009, all individuals crossing from Canada to the US will be required to present a valid passport or a secure travel ID card (an oral declaration of citizenship will no longer suffice). Similar security measures have been noted at the US/Mexico border, which is about twice as long. Just last week, the US officials began building 17

camera and radio towers on a 23-mile stretch near Tucson, and they expect this summer to add 36 others over 30 miles near Ajo, Arizona. Depending on the testing results and the DHS's final approval, plans call for covering the 320-mile Arizona border by 2012 and the full border with Mexico (with a small exception of the southwestern part of Texas) by 2014.

Now why is this all important and why should we care? Because conditions for the undocumented immigrants in the United States will more than likely get worse before they get better assuming that some type of immigration reform will take place. The immigrant folk should be vigilant and aware of the current DHS enforcement efforts and practices. Now is not the time to put the guards down. While the DHS appears to be primarily interested in going after abusive employers, many employees still continue to get caught in the process. Having the opportunity to spend many hours in immigration court each week, I can attest that the number of individuals being placed in removal proceedings has increased significantly.

Therefore, caution and prudence should the order of the day for the immigrants who remain in the shadows. They should also be weary of unscrupulous notaries and immigration consultants who prey on the undocumented immigrants and promise them quick results by exposing the unaware customers to fraud, detection, and possible removal from the United States. Now more than ever the role of knowledgeable and competent immigration attorneys cannot be understated.

Our office can provide you with sound legal advice and expertise you will need to navigate through the difficult immigration laws. Please do not hesitate to contact us if you have any questions and concerns. We will be glad to help.

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**Agnieszka (Aggie) Dolinska earned her Juris Doctor degree in 2001 from Brigham Young University, where she was a senior editor with the Journal of Education of Law and a member of the International Moot Court. Ms. Dolinska is admitted to both the State Bar of California and the State Bar of Utah. She is also admitted to the United States District Court for the Central District of California and to the US Court of Appeals for the 9th Circuit. Ms. Dolinska's immigration practice involves all areas of Immigration and Nationality Law, including family and employment-based immigration, non-immigrant visas, deportation defense, litigation, and asylum law. She is also a member of the Orange County Bar Association and J. Reuben Clark Law Society, Orange County Chapter. You may contact Ms. Dolinska at (562) 207-6789. Wilner & O'Reilly, APLC, is located at 17777 Center Court Drive, Suite 200 Cerritos, CA 90703. Visit the firm's website at www.wilneroreilly.com.**

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## Homeowners with Countrywide loans eligible...

**PAGE A3** ◀ loans," in which loan balances increase each month if a borrower makes only a minimum payment, borrowers may be eligible to have their principal reduced to 9% of their home's current value and may also qualify for an interest-rate reduction or conversion to an interest-only payment. Borrowers of subprime adjustable-rate loans may have their interest rate reduced to the initial rate, and if the borrower still cannot afford it, then the borrower may be eligible for further interest-rate reduction to as low as 3.5%. Borrowers of subprime fixed loans may be eligible for

interest-rate reductions. Borrowers who qualify in the "Hope for Homeowners Program" may be placed in loans made through the federal program, and Borrowers who are in default of Alt-A and prime loans may also be considered for modifications depending on the circumstances.

In addition to the direct relief to borrowers through the settlement, Bank of America agreed to suspend offering subprime loans or loans that can negatively amortize. The Bank has also drastically limited and reduced circumstances under where no or low documentation loans are required in order to prevent fur-

ther subprime loans.

This article does not constitute any legal guarantee or advice for any individual matters and does not create attorney client relationship with the readership.

If you have any loan from countrywide or any of its affiliates, please call our office at 213-639-3888 or e-mail us at [cielo@choicelaw.org](mailto:cielo@choicelaw.org).

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**The Law Offices of Gene Choe practices in business and general civil litigation, immigration, personal injury, real estate transaction and litigation, criminal defense, family law, collection and judgment enforcement and appellate laws. You may contact (213) 639-3888 for any legal matters you may have.**

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**HOME BUYERS**



**KENNETH GO**

**T**HE new law sweetens a provision known as the first-time-homebuyer credit. In essence, if you meet certain qualifications, you may be eligible for a tax credit of up to \$8,000. You also have a choice of claiming the credit on your federal income tax return for 2008 or 2009.

A credit is typically more valuable than a deduction because it eliminates your taxes on a dollar-for-dollar basis -- and in this case, you may get it even if you don't owe taxes. Talk to your CPA about the benefits.

Purchase date is a determining factor

**Q: Who can claim the credit?**

**A:** In general, the IRS says you may be eligible if you bought your main home, located in the US, after April 8, 2008, and before Dec. 1, 2009, and if you (and your spouse, if you're married) haven't owned any other main home during the three-year period ending on the date of purchase. That means you might be eligible even if you owned a home for many years before that period. However, there are numerous other qualifications.

**Q: How much is the credit?**

**A:** That depends on when you bought the home and other factors, such as your income and the home's price.

If you bought during the 2008 period and qualify for the credit, the maximum credit is generally \$7,500. But it's only half that amount if you're married and filing separately from your spouse. And even though it's called a credit, it's really an interest-free loan. You generally have to repay it over 15 years, without interest, in 15 equal installments, the IRS says. The rules are more generous if you buy a home during the 2009 period and meet all

## 1st Time Homebuyers \$ 8K Tax Credit

# Take advantage before it's too late

the qualifications. In that case, the maximum amount generally is \$8,000, or half that amount if you're married filing separately. More important, you don't have to repay the credit at all unless that home "ceases to be your main home within the 36-month period beginning on the purchase date," the IRS says.

Income limits and defining as your primary residence

**Q: How do the income limits work?**

**A:** You may be eligible for the full amount of the credit if your adjusted gross income, with certain modifications, is \$75,000 or less -- or \$150,000 or less if married and filing jointly. However, the credit begins to be phased out if your income exceeds those amounts. You can't claim the credit at all if your income is \$95,000 or more, or \$170,000 or more if married and filing jointly, the IRS says.

**Q: I own more than one home. How do I figure out which is my main home? And does it have to be a house?**

**A:** The IRS says your main home is "the one you live in most of the time." No, it doesn't have to be a house. It can be "a house, houseboat, house trailer, cooperative apartment, condominium or other type of residence."

**Q: Are there are other qualifications?**

**A:** Yes. You can't claim it if your home is outside the US. You also aren't eligible if you're a nonresident alien, if you inherited the home or got it as a gift, or if you acquired it from a "related person," such as your spouse, parents or grandparents.

But what if you don't owe tax in the first place?

**Q: Will the credit help me if I don't owe any tax?**

**A:** Yes. The credit may provide you with "a refund" even if you owe no tax, the IRS says.

**Q: What form do I use?**

**A:** Form 5405. The IRS re-

cently revised it and posted it on its website along with instructions. Dean Patterson, an IRS spokesman, says "programming is being done to electronically process Form 5405" to claim the \$8,000 credit for homes bought in 2009. The IRS "will be able to process these returns electronically beginning March 30, he says.

**Q: Where do I put the credit on my Form 1040 ?**

**A:** Line 69.

**Q: I've already filed my return for 2008. Can I still claim the credit for 2008? If so, how?**

**A:** Yes. File what's known as an amended return. Use Form 1040X and attach Form 5405.

**Q: If I buy this year, should I claim the new credit on my 2008 or 2009 tax return?**

**A:** That can be tricky, and you may need to consult a tax pro. In general, most people who buy this year and qualify for the new credit probably will want to take it on their tax return for 2008, says Tax Mam's Hill. "They'll get their money more quickly," she says.

But some people might be better off claiming the credit on their 2009 returns. These would include eligible homebuyers who buy this year, whose financial circumstances changed during 2009 and who might qualify for a larger credit on their returns for 2009 than the previous year. An example would be someone whose income was too high to get any of the credit for 2008 but who recently lost his job and thus would be eligible for the full credit on his 2009 return, to be filed next year.

If you were to buy a new home that has never been lived in, California has a \$10,000 credit that you need to know about. Call me on this issue.

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**Call Ken Go of 1st Innovative Finance Group to give you a quote, call (888) 822-5363 or write to: [Kennethgo@verizon.net](mailto:Kennethgo@verizon.net)**

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