



# THE LEGAL ADVISOR

The official newsletter of Scranton Road Legal Clinic

*Praise be to the God and Father of our Lord Jesus Christ! In his great mercy he has given us new birth into a living hope through the resurrection of Jesus Christ from the dead.*

*1 Peter 1:3*



## Bankruptcy Basics

by Natalie L. Thomas, Esq., Director

Bankruptcy is a legal tool to forgive current debt, stop harassment from creditors, and start fresh. It is a federal court procedure.

Here are a few questions to ask if you are thinking about filing Bankruptcy:

- Do you only make minimum payments on your credit cards?
- Are bill collectors calling you?
- Is your financial situation overwhelming or you're unsure how much you owe?
- Are you having to use credit cards to pay for everyday necessities like groceries, rent, or utilities?

If you answered yes to two or more of these questions, bankruptcy might be something to consider. Contact us and we can help see if you qualify.

There are **2 types of personal Bankruptcy**:

- **Chapter 7** is where the person filing has very little income or assets but a lot of debt. The assets may be sold to satisfy the debts. The total process takes less than 6 months and you will receive a discharge (forgiveness) of most of your debts.
- **Chapter 13** is where a person is working and agrees to a payment plan to pay off creditors over a 3-5 year period. This is where a debtor may have some income to put towards debts but needs help prioritizing and organizing them.

Remember that **certain debts are NOT dischargeable** in bankruptcy such as secured debt (car loans or mortgages), student loans, child support or alimony arrearages, some property liens.

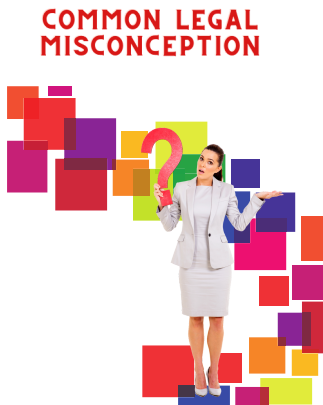
All forms of bankruptcy can have lasting effects on your credit and may even effect a job search so bankruptcy should be considered as last resort. April 2021

## Tax Credit v. Tax Deduction

Often confused, these words actually mean very different things.

A tax deduction reduces your taxable income and decreases your tax liability. For example you earned \$1,000 and had a deduction of \$200. You will only be taxed on the \$800.

A tax credit is a dollar-for-dollar reduction of the tax you owe. It counts like money you paid into the tax system. For example if you paid \$300 in taxes out of your earned income throughout the year and qualified for a tax credit of \$400 your return would calculate your taxes owed and refund anything extra, which might include the \$100.



Digital spring cleaning tip. MAKE SURE YOU USE STRONG PASSWORDS AND CHANGE ALL OF YOUR PASSWORDS OFTEN. SPRING IS A GREAT TIME TO MAKE A CHANGE IN YOUR PASSWORDS TO PROTECT YOUR DIGITAL LIFE!

## UNUSUAL LAWS

*Strange Laws Around the US*

- In Bay Village, OH, it's illegal to walk your cow down Lake Road.
- In the State of Ohio, it's illegal to fish for whales on Sunday.
- It is legal to drive a car in Ohio without shoes.



Formed in 2012, Scranton Road Legal Clinic educates and empowers our neighbors to make educated and prudent legal decisions, while providing the holistic support for the spiritual, emotional and relational problems that often accompany legal concerns. We offer brief advice via our brief advice telephone line at 216.861.5323 or via our online intake form at [www.scrantonroadministries.org/legal](http://www.scrantonroadministries.org/legal). Contact us today to discuss your legal need.