NOTICE TO BANKRUPTCY COUNSEL

INCREASE IN AMOUNT OF RESIDENTIAL EXEMPTION

The West Virginia Legislature has increased the value of a residence that a debtor can exempt in bankruptcy.

The amount of the residential exemption is increased from $15,000 per person to $25,000 per debtor.

The increase in the exempt amount is available for all bankruptcy petitions filed on and after June 6, 2002, which is 90 days after the bill was passed on March 8, 2002.

DETAILS:

The West Virginia Legislature passed Senate Bill 598 on March 8, 2002. The bill was signed into law by the Governor on April 3, 2002. The effective date of the bill is 90 days from passage.

The Bill simply amends West Virginia Code §38-10-4(a) by increasing the amount of the residential exemption from $15,000 to $25,000. The bill made no other changes to §38-10-4.

The statute continues to allow the unused amount of the residential exemption to be used to exempt any other property under §38-10-4(e) (the "wildcard" exemption). As a result, the increase in the residential exemption will result in a similar increase in the potential wildcard exemption under §38-10-4(e).