

Is The Automatic Stay Really Automatic?

The automatic stay is unquestionably the most powerful tool of bankruptcy. In plain English, it means that the instant your bankruptcy petition is filed with the court a stay will automatically go into effect, and all collection efforts taken against you must cease immediately. This means no more harassing dinnertime phone calls from Portfolio Recovery Associates regarding that medical bill you incurred seven years ago when you were in between jobs and uninsured for three months. It means no more threatening notices in the mail from Cach LLC stemming from that old car loan you didn't quite finish paying off. It means Stephen Einstein & Associates must drop their collection lawsuit from that old Discover Card debt you incurred when you obtained your first credit card in college 10 years ago. Creditors who continue collection efforts even after receiving notice of a bankruptcy filing risk being sanctioned by the bankruptcy court for violating the automatic stay.

One of the most common scenarios I

see are homeowners in foreclosure, often with a looming foreclosure sale imminent. A bankruptcy filing will trigger the protection of the automatic stay and halt any scheduled auction on the property. Absent express permission from the bankruptcy courts, the bank will not be permitted to sell the property. For homeowners looking for breathing room to reorganize

*In short, before giving up,
know that bankruptcy is there to help.*

and get their financial affairs in order, bankruptcy is an extremely effective tool.

The bankruptcy courts, in particular the Eastern District of New York, which covers Queens, Brooklyn, Staten Island, Nassau & Suffolk counties, oversee a loss-mitigation program specifically designed to help struggling homeowners get back on their feet and stay in their house. As part of the bankruptcy process, the courts will often force the banks to come to the negotiating table and offer

borrowers a trial modification. I have personally seen the success of this program in my practice. I have represented numerous bankruptcy clients in extremely dire straits. After going through the loss-mitigation program many have walked away with a new and affordable mortgage. They kept their house and, with the help of the bankruptcy, they

are now back in control of their financial affairs.

In short, before giving up, know that bankruptcy is there to help. It has helped countless people stay in their homes, shed off old credit card debt, and regain control of their lives. It can and will help you too.

Btzalel Hirschhorn is an attorney specializing in the areas of bankruptcy law, debtors' and creditors' rights, and real estate. He may be contacted by email at Bhirschhorn@hirschhorn-esq.com or by phone at 516-418-7520.



THE LAW OFFICES OF
BTZALEL HIRSCHHORN, ESQ.

516-418-7520

**QUEENS
REAL ESTATE
& BANKRUPTCY
ATTORNEY**

**FREE
CONSULTATIONS**

Bankruptcy: Chapter 7, Chapter 11, Chapter 13, Debtor & Creditor Rights
Real Estate: Closings, Mortgage Modifications, Foreclosure Defense, Quiet Title Actions
Litigation, Wills, Trusts & Estates



www.Hirschhornesq.com

Bhirschhorn@hirschhornesq.com

125-10 Queens Blvd. Ste. 218, Kew Gardens, NY 11415