

# Understanding Exemptions

## What is Exempt Property?

**Exempt property** is property that you get to keep in your bankruptcy and is protected from creditors.

## Should I Use State Or Federal Exemption Laws?

**There are federal and state specific exemption laws.**

A.R.S. stands for Arizona Revised Statutes which are the laws of the state of Arizona.

U.S.C. stands for the United States Code which is federal law.

**Whether you use federal or state exemption laws depends on where you live.**

If you are filing for bankruptcy protection and have resided in Arizona the entire two (2) years prior to the bankruptcy filing date, you **MUST** use Arizona exemptions. You cannot use the federal bankruptcy exemptions.

You should speak with an attorney to get advice about your specific situation.

## Where Can I Find Laws About Exempt Property?

**If you are filing for bankruptcy in Arizona**, you can visit the United States Bankruptcy Court, District of Arizona's website to find the most up to date information about bankruptcy exemptions: <https://azb.uscourts.gov/content/what-are-exemptions>

Property that's not on the exemption list is not protected from your creditors.

## How Do I Claim Property As Exempt In My Bankruptcy?

**List your exemptions on Schedule C of your bankruptcy pleadings.**

Each adult who files for bankruptcy can claim his or her own exemptions. For example, each adult has their own exemption of \$15,000 for household furnishings. The exception to this rule is that a married couple has a single, shared homestead exemption. A.R.S. §33-1121.01.

The dollar amounts you list for the property on Schedule C are how much you could get for the items if you sold them at a yard sale, not the price in stores. But, if you have personal property (not land or a house) that has a lien on it, then you must use the "replacement value." The replacement value is the price a store would charge for the same item in a similar condition to yours. 11 U.S. Code §506(a)(2).