

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).