

- [print](#)
- [email](#)

Nonprofit offers free legal advice on low-income bankruptcy filing

By [David Holley](#) / *The Bulletin*

Published: April 08, 2010 4:00AM PST

When the collection agencies come calling, but paying back debt isn't possible, some immediately turn to one option: filing for bankruptcy.

But bankruptcy might not be smart for many low- or no-income individuals because they could have few assets to sell off in a Chapter 7 liquidation, meaning the bankruptcy could potentially be more detrimental than beneficial. A group of attorneys offered pro bono advice like that to low-income people who are considering bankruptcy at an April 2 clinic put on by the Bend office of Legal Aid Services of Oregon.

Ten people attended and received free legal counseling at the clinic, which was based on a similar operation in Portland that has occurred for more than a decade. The April 2 event will be followed by two more on July 23 and Nov. 19 at the Rosie Bareis Community Campus in Bend.

Legal Aid Services, a nonprofit organization with offices throughout Oregon that offers legal services to low-income clients, chose to host the clinics in response to growing demand for bankruptcy legal advice, said Leigh Dickey, the Bend regional director.

Dickey said the number of people who requested and are eligible for bankruptcy assistance from Legal Aid — a person's income level must be at or below 125 percent of the federal poverty level — increased by 55 percent from 2008 to 62 people in 2009.

She expects about 100 people will seek and qualify for bankruptcy assistance in the Bend area during 2010. Already, 24 people have.

"The volume of people who have been asking about bankruptcy, or collections-type issues, has about doubled in the last two years," Dickey said.

Those numbers reflect Oregon as a whole, which saw a rapid increase in bankruptcy filings between 2008 and 2009. About 45.5 percent more individuals filed for bankruptcy in 2009 — 17,484 total — compared with 2008.

The number of businesses filing for bankruptcy in Oregon also has soared. It rose to 575 in 2009, up 42 percent from 2008.

Through March 31 of this year, nearly 4,400 individuals have already filed, meaning 2010 is on schedule to have more bankruptcies than 2009.

"There's a lot of people who are filing for bankruptcy," said Brian T. Hemphill, a Bend attorney who was one of about a dozen attorneys offering free legal advice at the April 2 event.

Hemphill added that because there are so many more people filing now than a few years ago, people should realize that attorneys working with Legal Aid are only offering free advice to people who meet the income restrictions. He said people may file for bankruptcy without an attorney, but having one is beneficial because an attorney can help people understand whether they actually need to file.

Sometimes low-income individuals don't need to file, even if creditors are on their tails, because they have no or few assets to liquidate to pay off their debts, Hemphill said. If they do have some assets, a \$10,000 car for example, it might not be worth having that sold to pay off \$15,000 in credit card debt, he said.

Some people, especially those with little income, might just go ahead and file for Chapter 7 bankruptcy, without the help of an attorney because attorneys can be so expensive. This program resolves that problem, Hemphill said.

"It's a rewarding experience for us to use our training and our skills to help out those in need," he said.

At the April 2 clinic, Dickey said many individuals' questions were resolved on the spot, and others are still considering bankruptcy. If a person does file, the attorney that assisted them last week will also provide free legal work during the bankruptcy proceeding, she said.

Various groups collaborate to offer monthly bankruptcy clinics in Portland, from which Bend's clinics stemmed. The Lawyers' Campaign for Equal Justice, a nonprofit that works to support the various Legal Aid programs in Oregon, helped Bend Legal Aid start the program in Bend.

"The legal aid office in Bend was being flooded with requests for bankruptcy requests they couldn't handle," said Sandra Hansberger, executive director of Campaign for Equal Justice.

In addition to the one-on-one legal counseling on July 23 and Nov. 19, there also will be a general overview of bankruptcy during each session, Dickey said.

For more information on Legal Aid, or to attend one of the events, call 541-385-6944 or 1-877-803-9584.

David Holley can be reached at 541-383-0323 or at dholley@bendbulletin.com.

- [print](#)
- [email](#)

Add New Comment



If you're a subscriber, sign in. If you're not a subscriber, [subscribe now](#) or sign in with one of the services below:



Type your comment here.

Name

Website (optional)

Email

Subscribe to all comments by email

[Change ID for commenting](#)

[Login and Post](#)

[You must be logged in to post a comment.](#)

Showing 0 comments

Sort by Popular now [Subscribe by email](#) [Subscribe by RSS](#)