

Senior Services Coalition

of Alameda County

May 13, 2016

Senator Bob Wieckowski
California State Senate
State Capitol Room 3086
Sacramento, CA 95814

Re: Senate Bill 308 (Wieckowski) - Support

Dear Senator Wieckowski,

We are writing in support for SB 308, which would make some modest and long-needed changes to the Chapter 7 bankruptcy exemptions. For the average middle class or working class California family, the economic recovery has largely been a spectator sport. Many are still under-employed and struggling with debt taken on just to get through the recession.

While home prices in California have climbed steadily over the last forty years, the homestead protections in our bankruptcy code have remained flat. The disparity between home values and homestead protections is so great that practically no family living anywhere in this state could prevent a credit card company from forcing them out of their home to get paid off in full. This is bad for families and creates even more instability.

Seniors are even worse off. Seniors have spent a lifetime dutifully investing in their homes with the notion that their equity can serve as their cushion in retirement. But should they fall on hard times in their golden years due to exorbitant medical bills and a creditor forces the sale of their home, they cannot use any of their home equity to live off of - the law says they must reinvest it all in another property. This is keeping seniors trapped in their homes for fear of losing their nest eggs. Allowing people who just lost their home the flexibility to use what remaining home equity is left for rent, ongoing medical expenses, and other living essentials is both common sense and the right thing to do.

While unsecured creditors should be repaid whenever it is feasible, struggling Californians should not be overly stripped of their meager assets to the point that they cannot get themselves back on their feet after a bankruptcy and they wind up needing government assistance. I support SB 308 and respectfully request an "Aye" vote on the Assembly Floor.

Sincerely,

Jordan Lindsey
State Policy Director

CC: California State Assembly members