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RE: Committee Bill No. 6070

My name is Stuart H. Caplan and I am an attorney that represents individuals filing for Chapter 7 Bankruptcy case and I am here in support of Committee Bill No. 6070. The Bankruptcy Code was amended and based upon that amendment the automobile loan companies are repossessing vehicles simply because the owner filed Chapter 7 Bankruptcy, even though the individual is current on the payments.

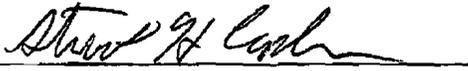
Many of the people that get car loans are not financially sophisticated and are in need of protection from the predatory tactics of the lending industry. The car loans are at generally higher rates of interest and the loan balances far exceed the value of the vehicle. We have one matter in our office where the vehicle value is approximately \$13,000 and the automobile company wants the borrowers to reaffirm a debt in the amount of \$30,000. The payments are current but the agreements are signed out of fear of losing their vehicle, not being able to get to work, and an inability to obtain another vehicle. If the Debtor fails to pay, then the car loan company repossess the vehicle and pursues a deficiency against the individual. These individuals then struggle to pay the car loan while not paying their mortgage and other household obligations, which results in the loss of family homes, wage attachments and additional strains on the court system.

The proposed bill will allow people who are current on their payments and in compliance with the loan documentation to maintain possession of their vehicles, after a Chapter 7 Bankruptcy case is filed.

We also support Section 1 of the proposed bill, but we do not believe it goes far enough. We have particular instances in our office where we get mortgage payoffs that contain charges that cannot be explained, which charges mysteriously appear and disappear as various payoffs are received. We would urge the legislation contain requirements that all charges be substantiated and provided in a timely manner, with substantial penalties or enforcement provisions if that does not occur.

LAW OFFICES OF NEIL CRANE, LLC

By: \_\_\_\_\_

  
Stuart H. Caplan, Esquire