



CHRISTIANS IN REAL ESTATE

"...encouraging the practice of Christian values in our business relationships."

Issue No. 9 Newsletter

Fall Edition

CIRE's newsletter is published 3 times a year, spring, summer and fall. To receive a newsletter, please contact CIRE at cirehawaii@hawaii.rr.com.

PUT THE BRAKES ON THE MONEY CHASE

By Rita Kama-Kimura

"For the love of money is the root of all kinds of evil..." 1 Tim. 6:10

These words echo in the world around us. What we worship we obey. Our love of money has resulted in greed, abuse, and corruption that has affected all of us. This circumstance is reflected in the financial crisis today, including the mortgage industry, investment banking, Wall Street and other financial institutions. We are bombarded with these news stories through the electronic and printed media and in turn, we are overcome with helplessness, anger and hostility.

Our attention is like a magnifying glass. What we focus on is magnified. Perhaps it's time to focus

on our Lord. After all, is our God not larger than all life? Is our God not more powerful than the evil that is trying to overcome us? Is our God not Truth and in Control? Is our God not our Hope and our Salvation? Is our God not sufficient for all our needs?

As we come into the season of Thanksgiving and Celebration let us not forget that we are still a Blessed Nation and a Blessed People. Are we perfect? No. Is there room for improvement? Of course. We must take a good look around us. What other nation or country in this world offers the freedoms and opportunities that we enjoy in the United States? God gives us freedom of choice, it is up to us to

decide what to do with it. As for me and my household we will serve the Lord. Is our Lord perhaps trying to get our attention? Let us not be self-centered but God centered. Oh how we as a nation, as a people need healing.

"If my people who are called by my name shall humble themselves and pray and seek my face and turn from their wicked ways, I will hear from heaven and forgive their sins and heal their lands. 2 Chron. 7:14

During this holiday season and beyond, give thanks for what our God has given us. He gave us His most precious gift, His Son. Let us give thanks for we are truly a blessed people.

A New Beginning!
Please join us as we celebrate the reason for the season.

DATE: Dec 18, 2008

PLACE: Hale Koa Hotel
Waikiki Ballroom

TIME: 11:15 am (CHECK-IN)
TO 1:30 pm

COST: \$28.00

For Reservations:

Email:
cirehawaii@hawaii.rr.com

SHARING:

† Austin Imamura
CEO, Pacific Rim Bank

† One Right Turn
Entertainer

YOU ARE INVITED TO TAKE TIME FROM YOUR BUSINESS SCHEDULE TO SPEND TIME WITH THE LORD AT THIS EVENT.

Your Presence Would Be Welcomed!

On December 18th at CIRE's Christmas luncheon, two ministries that are serving the Lord will be present. The two ministries are Hawaii Christian Foundation and the Hawaii Dream Center. Both will have display tables set up for you to visit. You are invited to come by and find out about the work they are doing.

If you would like to share information or have a desire to educate or entertain, CIRE welcomes contributions to its newsletter. We are always looking for articles of interest and referrals to people who may have something to share. If you or if you know of someone willing to share, contact CIRE at cirehawaii@hawaii.rr.com with your contribution or referral.

CHANGES IN BANKRUPTCY CODE AFFECT REAL ESTATE

By Mark Pettinato, Esq.

The following discussion revises and updates an article which appeared in this newsletter in 2006. In 2005 the Bankruptcy Code underwent a major overhaul that made the filing of bankruptcy more difficult and costly, and initially the number of Hawai'i bankruptcy filings plummeted 80%. The number has been trending upwards of late because of the poor economy.

Exemptions: In Hawai'i debtors are allowed to choose between federal and state exemption schemes. The federal homestead exemption is \$20,200 per person (\$40,400 per couple if a joint petition is filed and both parties are on title). The state exemptions is either \$20,000 or \$30,000, with the higher figure applying to heads of households and people over 65. Only one state exemption is permitted per case, whether the petition is filed by one spouse or both. State law also protects T/E property. If only one spouse files, and all debts on the petition (mortgages excepted) are in the filing spouse's name only, the debtor can protect the entire property even if the equity exceeds the applicable \$30,000.

The 2005 reforms modified the above rules by (1) capping homestead exemptions at \$125,000 for debtors who acquired an interest in their property with 1,215 days before filing, and (2) trying to force debtors choosing state exemptions to use the homestead exemption, not of the state where the debtor files, but of the state where the debtor lived in the two years before filing, or, if the debtor lived in

more than one state during that period, the state where the debtor lived for a majority of the 180 days before the two-year period. (At least that is what the law says: in practice the issue is more complex than we have room to discuss here.)

Chapter 7 (liquidation) or 13 (repayment)? The above discussion about exemptions is important in deciding whether to file Chapter 7 or Chapter 13. In Chapter 7, the trustee sells any real estate with equity in excess of the exemption amount. Upon sale, the trustee pays the applicable exemption amount to the debtor, then the trustee's fees and any real estate commissions and other costs of sale, followed by the secured debt (mortgages and liens), priority debt (taxes mainly), and unsecured debt (credit cards, for example), with the remaining proceeds (if any) going to the debtor. A Chapter 13 repayment plan may enable a debtor with high equity to keep property that would otherwise be sold in a Chapter 7.

Maintenance fees. Under the old law, if a case was filed in which the debtor wished to surrender the property but continued residing on the property or renting it out pending sale, the debtor had to continue paying any maintenance fees on the property until the property was vacated. Now the debtor has to continue making those payments until the property is transferred (by foreclosure or trustee

sale, or a deed in lieu) even if the property is vacant.

Residential leases. The filing of a bankruptcy case ordinarily triggers an "automatic stay" which stops creditors from continuing collection efforts or enforcing judgments obtained before the bankruptcy filing. Under the new law, the automatic stay does not protect a debtor from eviction if a landlord has obtained a judgment before the debtor files, or if the debtor is endangering the property or allowing the "illegal use of controlled substances" on it.

No lawyer worth his salt would conclude a short article like this without a disclaimer that "it does not constitute legal advice, facts vary from case to case, and you should consult a competent bankruptcy professional for questions about your particular case." *Caveat lector.*

(For additional information, please contact Mark Pettinato, Esq. at 487-8402)



Share or Be a Blessing

CIRE celebrates the season at its annual Christmas luncheon on Dec. 18, 2008. On the program you will have an opportunity to share how you were blessed or to talk about the work you are doing to bless others and God. At the Christmas luncheon, the microphone will be available for you to share a praise report or to present a ministry in which you are involved. Each speaker will have 2 minutes. If you would like to tell us about your blessing, please let us know before the function by contacting CIRE at cirehawaii@hawaii.rr.com and time will be allotted to you. You can participate by also asking for your 2 minutes at the function on a "time is available" basis. Due to program time constraints the 2 minutes allowed will be strictly adhered to. We look forward to sharing of your blessing or ministry.