



Q & A from the corner office



BABEL

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The business of bankruptcy law is a field in line to change with the times. For David Babel, an attorney with law offices in the Bronx, Eastchester and Scarsdale, the rise in personal bankruptcy petitions are correlated to people's businesses.

Q: Have bankruptcy filings increased and how has the economy impacted the industry of bankruptcy law?

Babel: "I have been practicing consumer bankruptcy law both in the Bronx and Westchester for the past 20 years. Though I do not handle Chapter 11 business bankruptcies, I do handle lots of Chapter 7 and Chapter 13 bankruptcies, which involve people's businesses anyway. Aside from the change in law in 2005 wherein there was a short period of mass filings by individuals in debt, there has been at least a 25 percent increase in clients retaining our office for personal bankruptcy. The increase seems to be a result of layoffs, reduction of work hours and the impossibility of handling mortgage debt for both primary residences and investment properties, as a result of the resetting of adjustable mortgages related to the subprime market crisis.

"Contrary to some public opinion, bankruptcy is alive and well and approximately 1 million people have filed for bankruptcy in the 2008 calendar year. It is a viable option for many people and may be the only realistic option for some. A Chapter 7 bankruptcy basically will enable an individual to wipe out his debts, generally credit card, personal loans, and mortgage deficiency while retaining all basic assets within specified limitations. A Chapter 13 bankruptcy basically will enable an individual to manage one's debt within a three- to five-year plan, providing an opportunity to cure mortgage debt equal to or to facilitate the surrender of real property."

David Babel's Web site is www.babelslaw.com.