



The Lee Law Firm

Helping Good People Through Bad Times



Vol. 3, Issue 7.
July 2013

Providing the Best representation at the Best price, Guaranteed!

Bankruptcy News

Earlier this month the suppression of student loan interest rates expired. After Congress failed to come up with a mutually agreeable plan, the rates doubled overnight. Set to affect a large portion of loan holders, a further rise in loan debt default is likely to be seen.

Unfortunately, the majority of people carrying student loan debt will face financial hardship in one form or another in their lifetime. While not everyone will be pushed into insolvency, the current issues surrounding the student loan industry are making for arguments supporting bankruptcy reform. More specifically, some lawmakers are working to have student loan debts more widely eligible for discharge in bankruptcy. Although some debtors can currently qualify for a discharge if they can prove the payments are creating undue hardship, the majority of student loan debt holders will be left with only a few options for debt relief.

Outside of negotiating an income based payment plan with the lender directly, there are only two options for relieving the financial pressure of student loans: deferment and forbearance. In a deferment, the loan payments can be suspended or lowered for a specified period of time. Once the deferment period is over, payments must resume as usual. Deferments are fairly readily available for reasons such as going back to school, changing career paths or opening your own business. For those not qualified for a deferment, or in greater need of debt relief, a forbearance can suspend payments for up to one year. Unlike a deferment, the interest rate on the loan is not suspended during the forbearance period, allowing for the loan to accumulate a higher during the payment suspension.

Q & A with Mr. Lee

What is your take on the student loan debt crisis?

Today over 30 million Americans are struggling to pay back their student loan obligations. I see it every day at my firm. It is very sad. What 99% of the people that I consult with don't know is that there are many options to help out. This is the saddest thing that I hear, is when a client says to me "I wish I would have known that I could get help".

Recently my firm has begun to help people with their student loan problems. And to no surprise to me, we have been very effective in dealing with both private and public student loan lenders. There is help out there for you. Congress, as bad as they are, has actually enacted several laws that create flexible options to assist borrowers. The student loan industry is very heavily regulated and overly complicated, just like the bankruptcy laws. This makes it very difficult to understand what your options are and to be able to recognize if your account is being properly serviced.

Check Out Our Blogs!!

[Student Loan Bankruptcy Case](#)



[Student Loan Discharge](#)



[Too Broke for Bankruptcy?](#)



Right now, there are many different options to help but they are all very similarly named. And each provide a very different outcome. The problem is this: there is nobody there to help you what is best for you and help you, the consumer, weigh your decisions. This is what we do. Not only will we help you weigh your decisions, we will advise you and negotiate with your lenders to get you the most favorable outcome based on your current income situation.

Currently, Congress is set to renew the rules regarding issuing student loans and how they get paid back. This would be a huge coup for our country. Let's all pray that this happens.

Have a question for Mr. Lee? Want to see it in next month's issue? Submit it to newsq@leebankruptcy.com and we may just pick your question to be featured next month!



**"If you fail to plan,
You plan to fail."**

- Unknown

Money Management Tips

While we wait for Congress to decide whether there will be any financial help for student loan debtors, there are things you can be doing to better manage your finances now. If you are currently in college or have a child nearing college age, start planning ways to avoid the need for student loans. Having a paid for college is a thing of the past, but it doesn't mean degrees have to be funded on a borrowed dime.

First, start saving. Having a savings account for your child's education is a great way to take off the financial burden down the road. Start early so you can have enough to make a dent in that tuition bill.

Second, look for free money, such as a grant or fellowship program. There are plenty of scholarships available for people of all walks of life, degree path and demographics.

Third, consider part time schooling so that working to earn the money to pay for college is feasible. It may take longer to graduate, but its well worth the financial freedom.

Fourth, don't underestimate the power of money management. Even if you do have to borrow for tuition, be sure to avoid other kinds of credit along the way. The last thing you need is a hefty credit card bill along with your student loan balance.

What Clients Are Saying

I was facing serious financial deadlines and remembered the letter I received in the mail a month prior. I made the initial call and set an appointment. I went in for my consultation not knowing what to expect, The Lee Law Firm calmed my fears. They were very courteous and professional while explaining my options. Thanks for making my experience as I ventured into the unknown as smooth as possible. I am thoroughly satisfied with the service that I received and look forward to being DEBT FREE thanks to your Firm and professional staff.

Once again THANK YOU for all that you do. I've come to realize that bad things happen to good people and there are options for those affected personally by our changing economy. AWESOME JOB!! — *Mrs. Jackson*



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