

Doug James
1570 Westridge Circle
Billings, Montana 59102

January 17, 2013

Tom Jacobson
521 Riverview Drive East
Great Falls, Montana 59404-1634

Re: House Bill No. 196

Dear Mr. Jacobson:

I understand that you introduced House Bill No. 196 in order to raise the dollar amount of certain personal property exemptions. I am writing to express my support for your proposal to amend Montana Code Annotated Section 25-13-609(2) in order to increase the exempt amount of a motor vehicle from \$2,500.00 to \$5,000.00.

One of the fundamental concepts of bankruptcy law is that of a "fresh start." It is a noble goal. We believe, and it is our expressed public policy, that someone can file bankruptcy and have a fresh start and still make it in America. The question before our legislature is whether or not someone can get a fresh start with a car that is only worth \$2,500.00. The question is whether or not someone can still make it in America (in Montana) with a car that is only worth \$2,500.00. I submit that it would be a challenge.

Transportation is critical. If people are going to have a fresh start, they have to have a safe reliable way to get to work, to get to the store, to get to the doctor, or to get to school. A car worth \$2,500.00 does not meet that need. The simple reality is that the current exemption is so low that it will deny many people a true fresh start. The current exemption amount will make it difficult if not impossible for some people to make it in America.

In support of House Bill No. 196, I think it is worth noting that the amount of this exemption has not been raised for many years. Furthermore, it is in the interest of public safety to have people driving in vehicles that are worth more than \$2,500.00.

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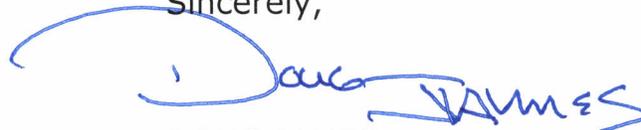
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I am a bankruptcy attorney. My bankruptcy practice is limited to representing creditors. I do not do any debtor work. I'm also a former Bankruptcy Trustee. From my perspective, I can tell you that increasing the amount of the motor vehicle exemption to \$5,000.00 will have a negligible impact. I recognize, however, that this increase in value is critical to debtors in order for them to have safe, reliable transportation, and in order for them to have a true fresh start.

I have spent nearly 30 years as a bankruptcy lawyer. Based upon my experience, I can tell you that people do not file bankruptcy for fun. While there are abuse cases, the numbers are few. In most cases, the bankruptcy system appropriately addresses abusive bankruptcy filings. The vast majority of bankruptcy filings are not abusive. These are filings that are being made by our neighbors, our cousins, and our friends. In fact, based upon historic bankruptcy filing statistics, it's clear that more than one in five adults in Montana will file bankruptcy in the next 25 years.

The Legislature should increase the exemption amount for motor vehicles. I support your efforts to increase that amount to \$5,000.00 per motor vehicle through House Bill No. 196.

Sincerely,

A handwritten signature in blue ink that reads "Doug James". The signature is written in a cursive style with a large loop at the beginning and a stylized "JAMES" at the end.

DOUG JAMES

DJ:jlw