

## Bankruptcy

Foreclosure is not personal. Lenders are simply protecting their interests. If you seriously damage your home before the foreclosure sale, you can be held liable and have a money judgment entered against you which can survive for decades. Bankruptcy usually does not remove this kind of money judgment. Over the life of the judgment, the money damages will be subject to accruing interest, and the creditor may pursue a variety of collection proceedings, including taking a part of your wages.

While your lender may elect not to sue you for physical damages (waste), trashing your home is an ill-advised risk. Even if your lender chooses not to pursue a claim for damages in the form of a money judgment, your lender or its servicing agent can notify the district attorney and ask that criminal proceedings against you be considered by that office. Also, the successful new owner, who purchases your home typically “as is” at the foreclosure sale, can also notify the district attorney or bring a civil action against you for intentional damages to the home.

Most homeowners do not intentionally damage the security property by, for example, ripping out walls, breaking pipes, tearing holes, removing plumbing or electrical fixtures, or damaging exterior walls and roof coverings. When any one or more of the foregoing occur, however, disputes will likely follow among the new owner or, in the absence of a successful third-party bidder, the lender and its servicing agent, and the homeowner for intentional damages done to the home. The disputes may lead to significant legal consequences.

The most common disputes are those over what items were removed. Homeowners may remove personal property but not what became a fixture to the home and, therefore, constitutes real property. Things that are plugged in, and can be unplugged from water, gas, or electrical services without damage, are generally personal property. Things that are bolted down or connected by more than a water line, gas

