

## Divorce and Bankruptcy: What are my options?

Folks often schedule a free consultation with us on the recommendation of their divorce attorney. Oftentimes, financial difficulties and divorce go hand-in-hand.



**Although there are applicable code sections and case law relating to debts arising from a divorce or custody issue, much of the law is subject to interpretation.**

Generally, debts that are considered “support” are not dischargeable. However, this is not as cut and dried as it may appear.

In *Lawrence v. Combs*<sup>1</sup>, the judge ordered that the debtor-husband was eligible to discharge a large portion of the claim filed by his plaintiff ex-wife. Chief Judge St. John, in the EDVA Newport News division, held that the debts relating to the parties’ minor child’s medical debts and education fund were non-dischargeable, as were the child support arrearages. However, the debts relating to the division of the debtor-husband’s retirement funds and the

division of equity of properties owned by the parties were dischargeable in the debtor-husband’s Chapter 13 case.

In *Rosenblum v. Hardesty*<sup>2</sup>, a large debt related to the parties’ former marital residence was ruled dischargeable in the debtor-husband’s Chapter 13 bankruptcy case. Judge Huennekens, in the EDVA Richmond division, held that the debt alleged by the plaintiff-exwife relating to the marital residence was resulting from an equitable distribution of assets, rather than a support obligation, and that it was not entitled to priority, non-dischargeable status as a domestic support obligation.

Because these types of debts vary widely in interpretation, we recommend scheduling a free consultation with an experienced bankruptcy attorney to discuss your particular obligations. Our attorneys are experienced in interpreting Property Settlement Agreements and Divorce Decrees, and litigating when necessary.

<sup>1</sup> *Lawrence v. Combs* (In re *Combs*), 543 B.R. 780 (Bankr. E.D.Va., 2016)

<sup>2</sup> *Rosenblum v. Hardesty* (In re *Hardesty*)(Bankr. E.D.Va., 2016)(unpublished)



**Richmond 804.355.2057**  
Interstate Center, 2104 W Laburnum Ave Suite 201, Richmond, VA 23227

**Virginia Beach 757.313.3000**  
Convergence Center III, 272 Bendix Road, Suite 330, Virginia Beach, VA 23452

**Hampton 757.825.5577**  
2 Eaton Street, Suite 106, (Corner of Settlers Landing), Hampton, VA 23669



**Amanda E. DeBerry**

A native of Texas, Amanda previously practiced civil litigation and estate planning. She is now an attorney on the Chapter 7 and Chapter 13 consumer bankruptcy teams. She is licensed to practice in Texas and Virginia.