
debts of an estate

Posted by Tia A. - 2008/06/18 11:10

I have a relative that is terminal. She has a house, which is worth less than what she said and it needs work. She also has credit card debt.

Who is responsible for the debt of the estate if she doesn't have enough assets to pay all her bills. I'm sure she has unpaid medical bills and God only knows what else. What happens to them?

What a mess

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Re:debts of an estate

Posted by Jackie - 2008/06/21 06:40

Tia A. wrote:

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If the estate is insolvent then the creditors will have to write off the debt. The probate court inventory sheet will show that she had no assets. If you show that to the creditors then they will close the claim...usually.

What state?

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Re:debts of an estate

Posted by Tia A. - 2008/07/21 09:09

State is Illinois.

I talked to a probate attorney and she said to consult with a CPA regarding the tax issues on the estate.

Then I talked to a CPA and he said it depends on what the probate attorney negotiates. He also said to talk to a bankruptcy attorney. So, I still don't have an answer.

There is a mortgage on the home which is higher than the value of the home. There is also about \$1,500 in credit cards and a credit card from Sears with a recent purchase of \$1,000.

Should I

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Re:debts of an estate

Posted by LK311 - 2008/07/21 14:18

Does the estate have any cash, life insurance, anything the creditors can attach? If not and you want the assets, call the banks, submit a death certificate, and negotiate a settlement amount. Otherwise, if there is nothing to attach, file the return to the IRS and see the response. You could probably get a cleaner answer from someone else, but this is what I would do.

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