



## Opinion 519

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**Opinion Title:** 04/21/2008 PUBLISHED In re Godfrey, 07-24065, Judge Thurman.

**Body:** The Court in this case clarified the breadth of Utah's homestead exemption law as it applied to a pre-petition sale of a home. The Chapter 13 Trustee objected to the Debtor's claimed homestead exemption because the Debtor voluntarily transferred a portion of the proceeds derived from the sale of his home prior to filing, but failed to disclose the transfers on his initial Statement or Schedules. The Chapter 13 Trustee asserted that "proceeds" must be kept in their original form and not used to pay for other items in order to qualify for the homestead exemption under Utah law. The Chapter 13 Trustee further asserted that the Debtor's homestead exemption should be denied under bankruptcy law because the Debtor's voluntary transfers were concealed in violation of § 522(g). The Court determined that proceeds from the sale of a home need not be retained in their original form to qualify for the homestead exemption, and sale proceeds may be disbursed for other purposes without jeopardizing the exemption. The Court further determined that the Debtor's homestead exemption should be allowed because there was no evidence of fraudulent intent and, under the facts of this case, sufficient disclosure was made by the Debtor.

**File:**  [519.pdf](#) [1]

**Judge:** [Judge William T. Thurman](#) [2]

**Date:** Monday, April 21, 2008

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