

Weekly Bankruptcy Analysis

April 18-24, 2022

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Filings for the week ending April 24 were down by nearly 20 percent from the same week last year, and by more than 15 percent from two years ago, when lockdowns from the pandemic were at their peak. Total filings are down by more than half from pre-pandemic levels.

Bankruptcy Filings April 18 - 24, 2022				
Type of Case	Number Filed	Percent Change From Same Week Last Three Years		
	2022	2021	2020	2019
Total	7,580	-19.7%	-15.6%	-50.8%
- Chapter 7	4,713	-34.6%	-31.5%	-53.8%
- Chapter 11	82	0.0%	-9.9%	-29.9%
- Chapter 13	2,771	28.9%	38.5%	-45.2%
- Other Cases*	14	133.3%	100.0%	-22.2%
* Chapters 9, 12 and 15				

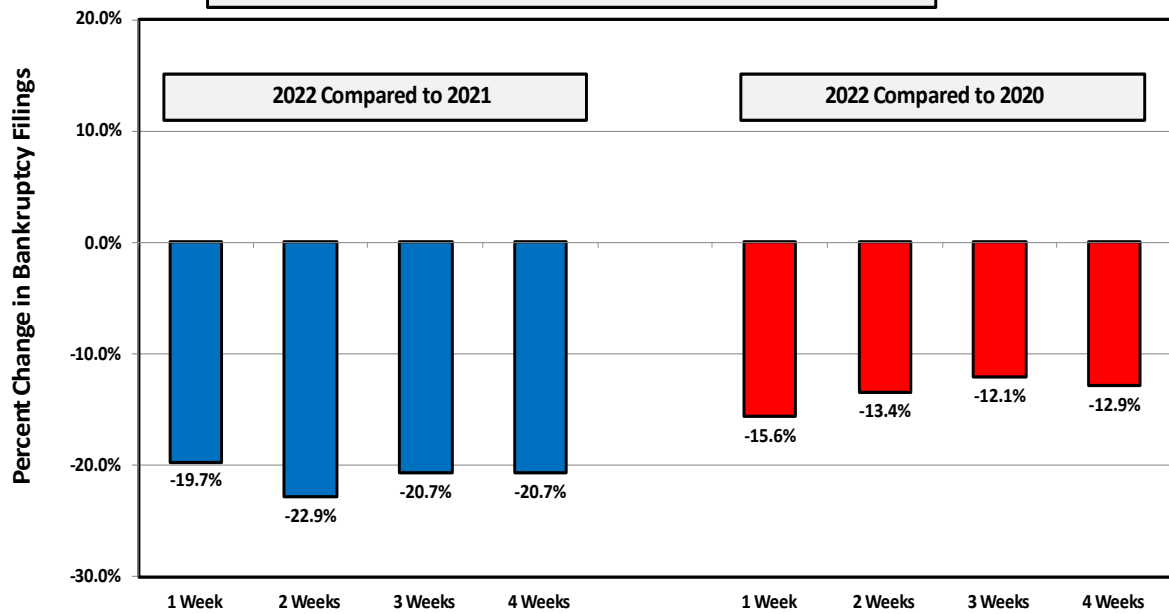
The following charts show recent weekly filing trends by chapter compared to 2021 and 2020.

¹ Ed Flynn is a consultant with ABI. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.

Week Ending
April 24

Bankruptcy Filing Trends (All Chapters)

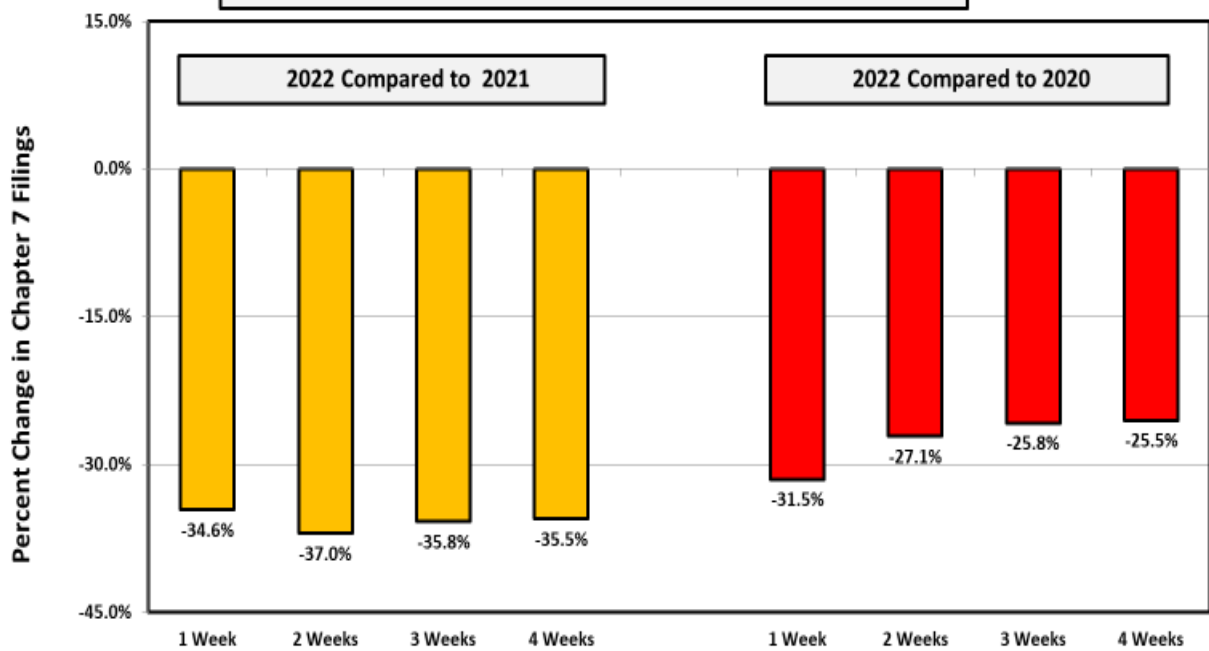
Percent Change From 2021 and 2020



Week Ending
April 24

Chapter 7 Filing Trends

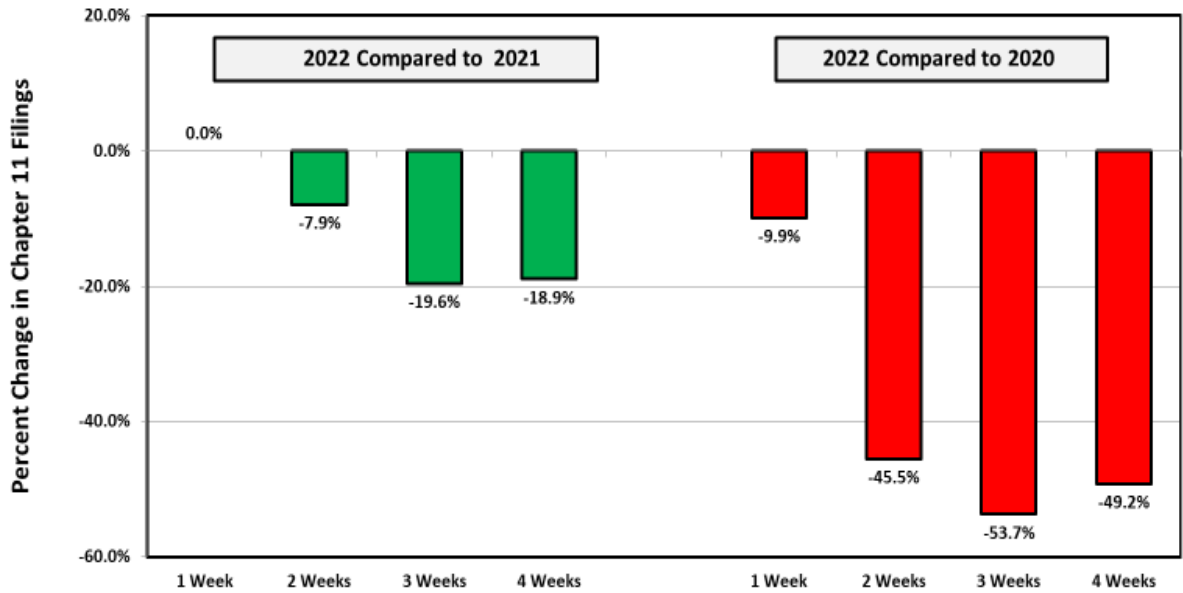
Percent Change From 2021 and 2020



Week Ending
April 24

Chapter 11 Filing Trends

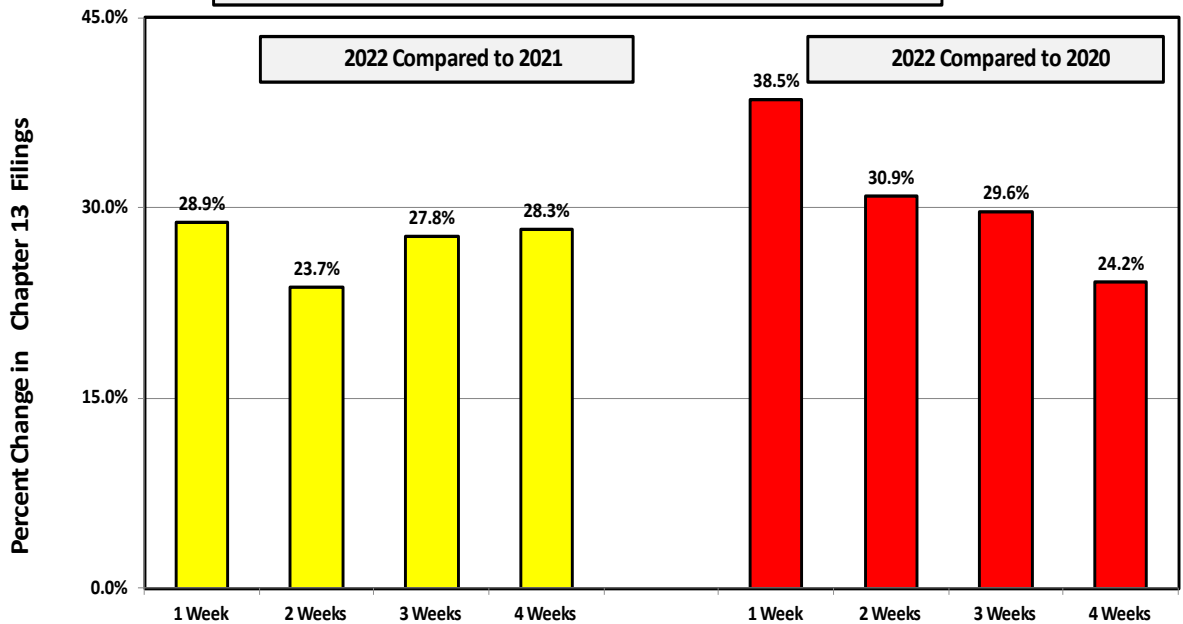
Percent Change From 2021 and 2020



Week Ending
April 24

Chapter 13 Filing Trends

Percent Change From 2021 and 2020



Chapter 11 Cases

Chapter 11 filings last week were about the same as in each of the last two years, but were down significantly from the same week in 2019 (pre-pandemic).

Types of Chapter 11 Cases Filed				
	April 18 - 24			
	2022	2021	2020	2019
Total Filed	82	82	91	117
Solo Cases	51	58	40	99
Parent Cases	7	4	8	5
Child Cases	24	20	43	13
<i>Filed By Individuals</i>	12	23	14	38
Subchapter V Cases	24	24	14	N/A

There were two large or notable chapter 11 cases filed during the week. On April 20, alternative asset manager GWG Holdings Inc. filed in the Southern District of Texas along with two related entities. On April 24, architecture and design firm EYP Group Holdings, Inc. filed in Delaware along with nine related entities.

Outcomes of Subchapter V Cases

Subchapter V has clearly received widespread support. In the first 26 months of its availability, 3,257 subchapter V cases have been filed. About 80 percent of eligible small business debtors elect subchapter V, and cases have been filed in every state. More than 1,200 attorneys have served as the lead attorney in a subchapter V case, and at least 2,000 bankruptcy professionals have been involved in subchapter V cases, including judges, trustees and debtors' attorneys.

What has not been so clear is the outcomes of these cases. However, a study of 500 subchapter V cases filed in 2020, conducted by **Bankruptcy Judge Michelle M. Harner, Emily Lamasa** and **Kimberly Goodwin-Maigetter**, showed that the confirmation rate for subchapter V cases has been far higher than it was for small business cases filed prior to the Small Business Reorganization Act of 2019 (SBRA). Historically, only about one quarter of small business cases had been confirmed. Since the enactment of the SBRA, about half of the cases in their study had been confirmed, and another 24 percent were still being processed, many of which will certainly result in confirmation. See https://s3.amazonaws.com/abi-org-corp/journals/numbers_10-21.pdf.

Additional information on the outcomes of subchapter V cases is available via PACER data and information in the Integrated Data Base (IDB), published by the Federal Judicial Center. There are a number of limitations with this data (*e.g.*, the IDB does not identify which small business debtors choose to proceed under subchapter V), but the IDB data shows that for small

business cases filed in Fiscal Year 2020 (FY 2020), of the cases that had been completed by the end of FY 2021, 45.9 percent had been confirmed.

A separate review of PACER records of subchapter V cases filed in FY 2020 showed a 51.2 percent confirmation rate for cases closed by the end of FY 2021. Confirmed cases generally take longer to close than converted and dismissed cases, so the ultimate confirmation rate for subchapter V cases is likely to be considerably higher.

See ABI's Newsroom for the latest on efforts to increase the subchapter V debt limit, and other news of interest to bankruptcy, at www.abi.org/newsroom.