

Weekly Bankruptcy Analysis February 8-14, 2021

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Total filings were down by 41 percent during the second week of February compared to the same week last year.² Once again, the largest decline involved chapter 13 filings, which were down by slightly over 57 percent from last year.

Bankruptcy Filings February 8 - 14, 2021		
Type of Case	Number Filed*	Percent Change From Same Week Last Year
Total	7,445	-41.0%
- Chapter 7	5,176	-31.3%
- Chapter 11	180	-12.6%
- Chapter 13	2,080	-57.3%
- Other Cases*	9	-30.8%
<i>* The PACER service center in San Antonio, Texas has been affected by the winter storm. Data for several courts for February 12 -14 is not available. This chart includes a small estimated adjustment to account for the missing data.</i>		

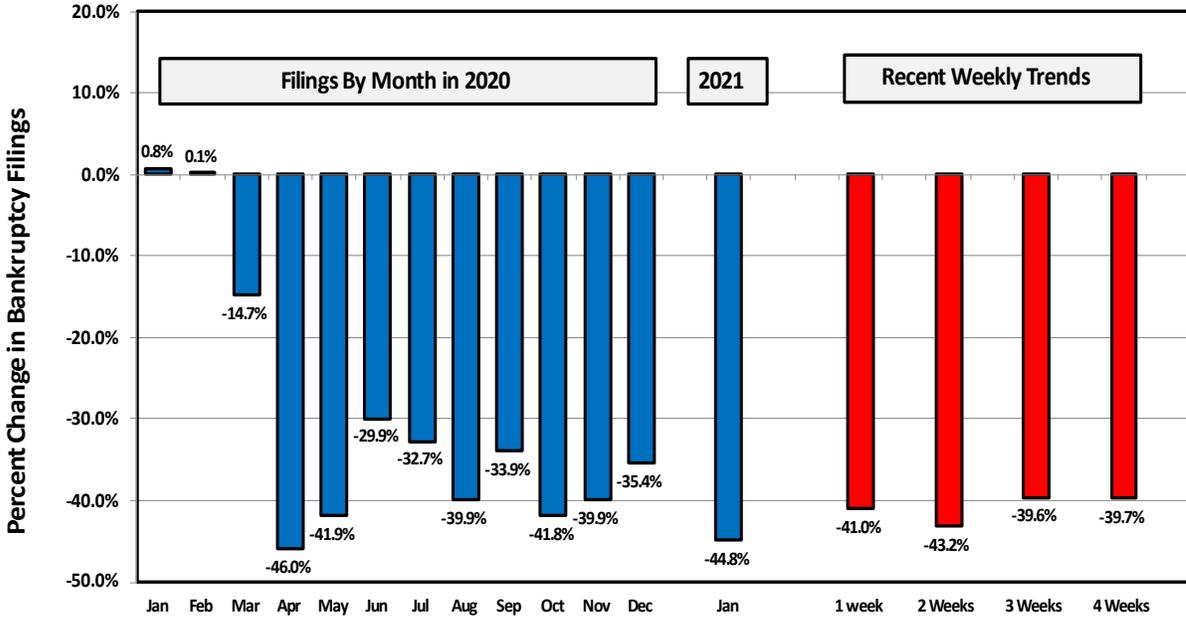
Due to the pandemic, bankruptcy filings dropped precipitously starting in mid-March of 2020, and they have remained quite low ever since. It is likely that filings will remain low until the various moratoriums on evictions, foreclosures, garnishments and student loan payments expire, and all government stimulus payments and enhanced unemployment benefits end.

The following charts show filing trends by chapter since the beginning of 2021.

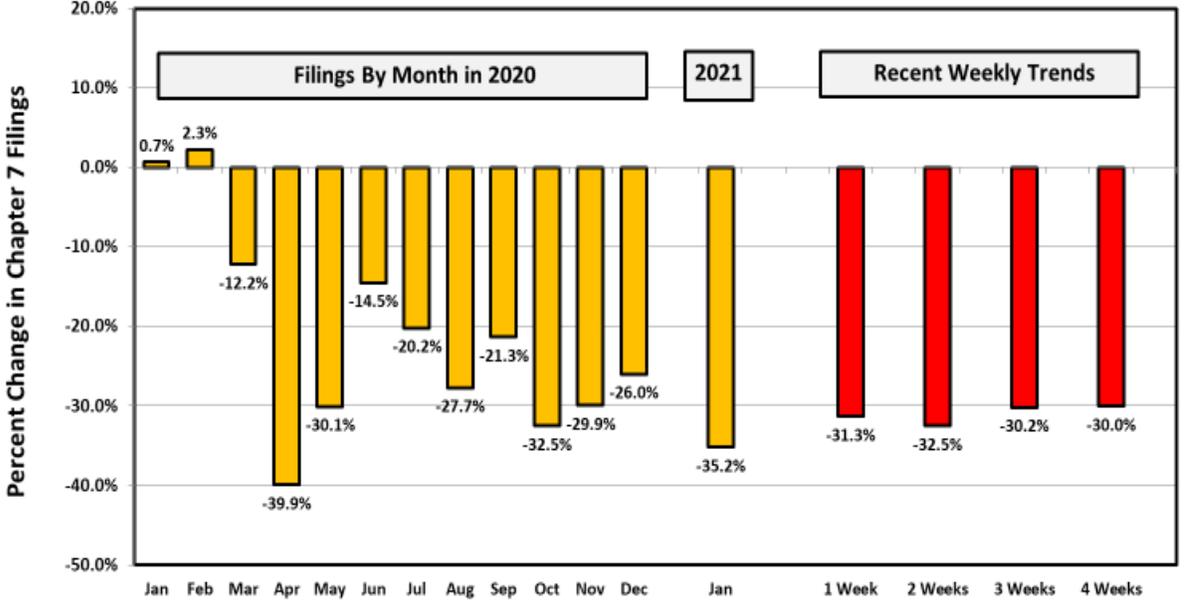
¹ Ed Flynn is a consultant with ABI and serves as a coordinating editor for the *ABI Journal*. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.

² These figures are from PACER and are subject to change. See <https://www.pacer.gov/>.

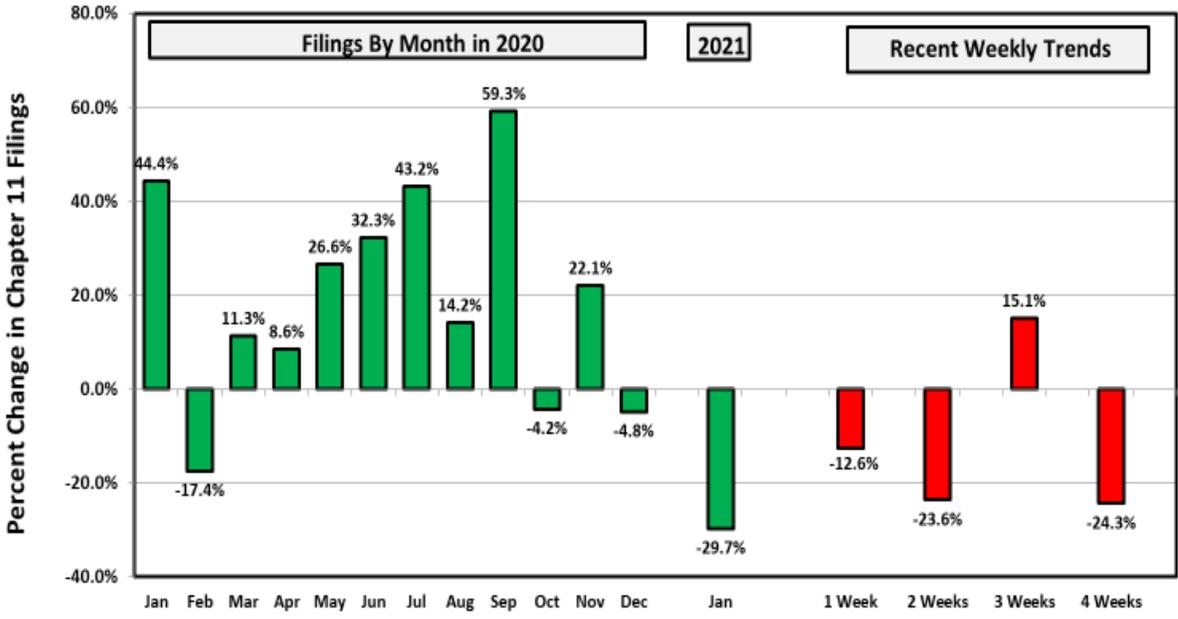
Bankruptcy Filing Trends (All Chapters) Percent Change From One Year Prior



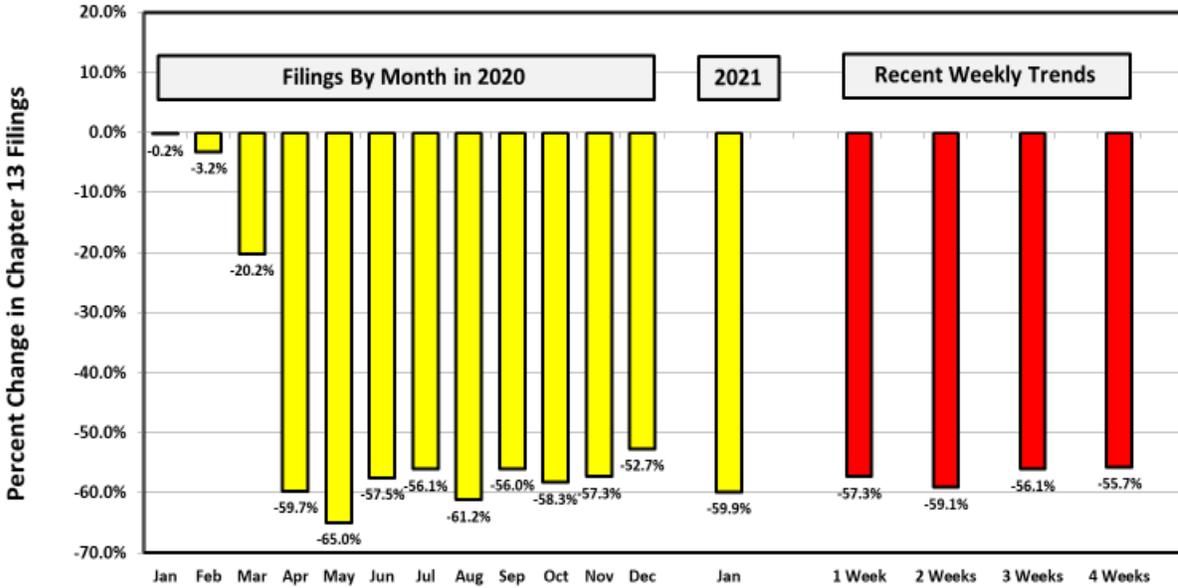
Chapter 7 Filing Trends (Percent Change From One Year Prior)



Chapter 11 Filing Trends (Percent Change From One Year Prior)



Chapter 13 Filing Trends (Percent Change From One Year Prior)



Chapter 11 Cases

Chapter 11 case filings were relatively high during both last week and the same week last year, mainly due to the number of related filings that accompanied some of the larger cases. If

we disregard the related cases, filings were down substantially from last year, particularly the chapter 11 cases filed by individuals.

Types of Chapter 11 Cases Filed		
	February 8 - 14	
	2021	2020
Total Filed	180	206
Solo Cases	48	89
Parent cases	7	9
Child cases	125	108
<i>Filed By Individuals</i>	9	36
Subchapter V Cases	30	NA

Notable Case Filings

The single notable filing during the week was by Mercy Hospital and Medical Center, which filed in the Northern District of Illinois along with one affiliate on February 10.

As reported last week, on February 7 there were five filings in the Southern District of Texas by oil rig operator Seadrill. On February 10, the lead case, Seadrill Limited, was filed, along with cases involving 114 affiliates. The Seadrill cases accounted for more than 60 percent of all chapter 11 filings nationwide last week.

One Year After Enactment, Subchapter V Filings Top 1,500

The 1,500th subchapter V case was filed on Feb. 12, one week shy of the one-year anniversary of its effective date. Outlined below is what we know about subchapter V filings so far. It will be some time before we can accurately assess the full impact of subchapter V, because very few cases have yet to be completed, and some of the ongoing cases might end in conversion or dismissal.

- As of 2/14/21, there have been 1,509 subchapter V cases filed.
- Cases have been filed in every state except for Rhode Island (only 1 chapter 11 case filed there in the last year).
- The top states for subchapter V cases have been:
 - Florida (202)
 - Texas (178)
 - California (154)
 - New York (96)
 - Illinois (50)
- In about half of the states, subchapter V cases comprise a majority of chapter 11 filings.
- About one-quarter of the subchapter V cases have been filed by individuals, who reported that a majority of their debt was business debt.

- The leading categories of businesses using subchapter V include restaurants and bars, health care professionals and facilities, business services, retail, construction and development, and trucking and transport firms.
- Many of the filings are clearly caused by the pandemic, including those involving hotels and motels, taxi/limousine services, and leisure and entertainment businesses.
- Nearly 30 percent of subchapter V cases are filed by debtors whose debts exceed the original \$2,725,625 debt limit. If the \$7.5 million debt limit from the CARES Act is not extended or increased, they will no longer be eligible for subchapter V.
- About 80 percent of eligible small business debtors elect subchapter V. This rate has been fairly steady since last February.
- More than 1,000 bankruptcy professionals have served as a judge, attorney or trustee in subchapter V cases.

See the ABI Headlines for news of the latest filings at <https://www.abi.org/newsroom/headlines>.