

Weekly Bankruptcy Analysis

February 14-20, 2022

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Total bankruptcy filings last week were about the same as during the same week last year but were down by about half from two years ago (just before the onset of the pandemic). However, the President's Day Holiday was celebrated on February 15 in 2021 and on February 17 in 2020, which limited filings each of these comparison years.

Bankruptcy Filings February 14 - 20, 2022			
Type of Case	Number Filed	Percent Change From Same Week Last Two Years	
	2022	2021	2020
Total	6,425	-1.8%	-49.3%
- Chapter 7	3,799	-19.0%	-50.8%
- Chapter 11	63	-33.0%	-64.4%
- Chapter 13	2,560	46.2%	-46.2%
- Other Cases*	3	-75.0%	-82.4%
* Chapters 9, 12 and 15			

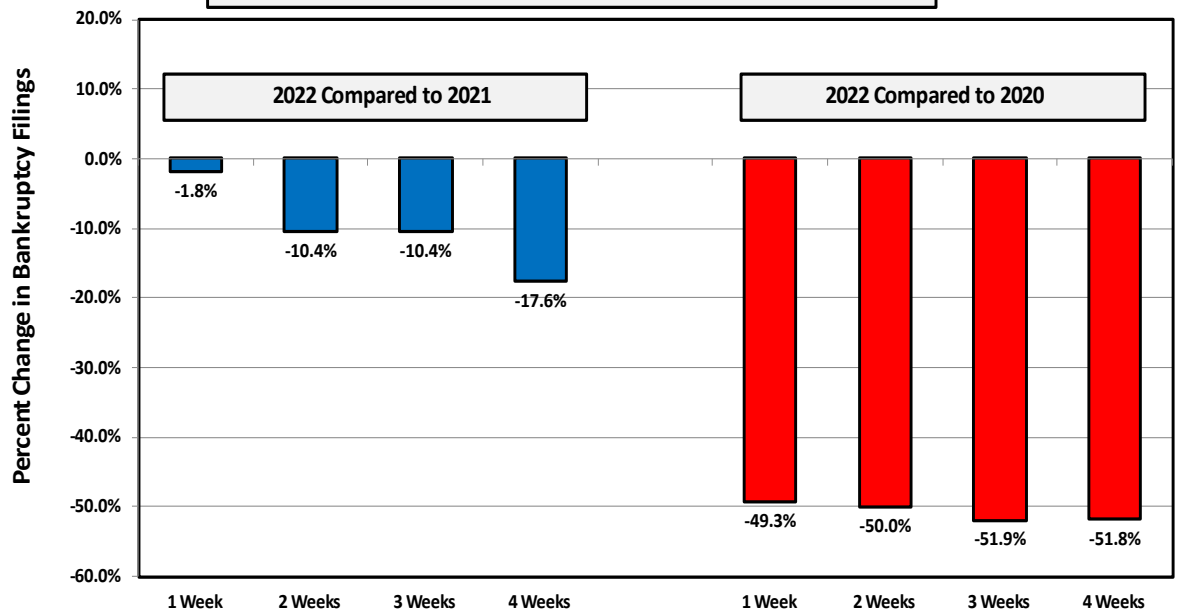
The following charts show recent weekly filing trends by chapter compared to 2021 and 2020.

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
February 20

Bankruptcy Filing Trends (All Chapters)

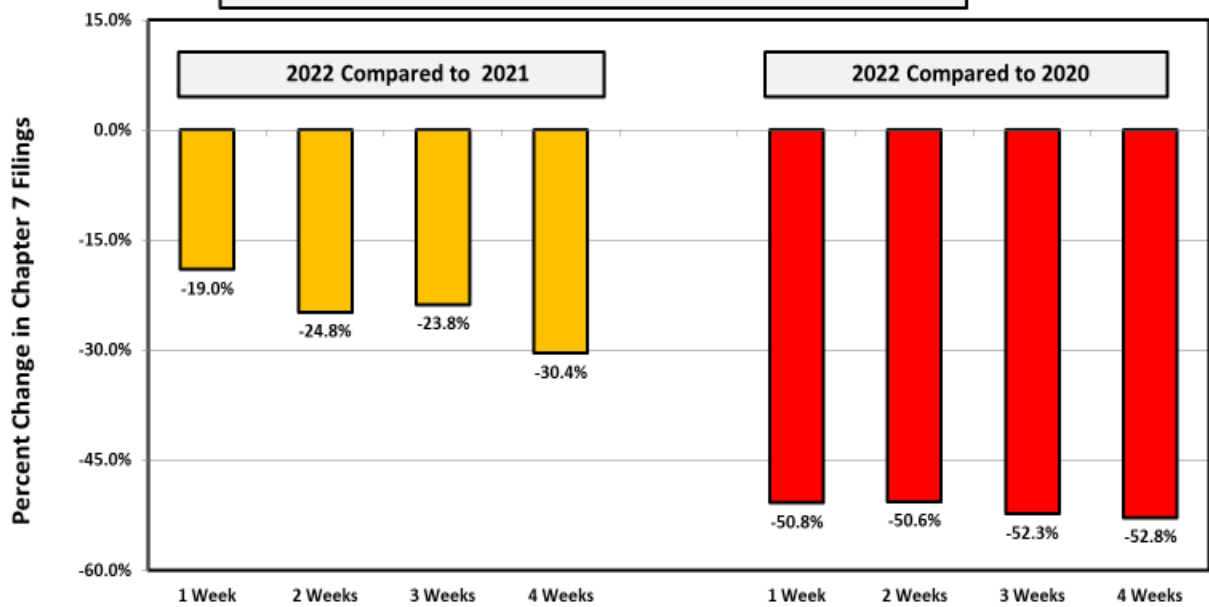
Percent Change From 2021 and 2020



Week Ending
February 20

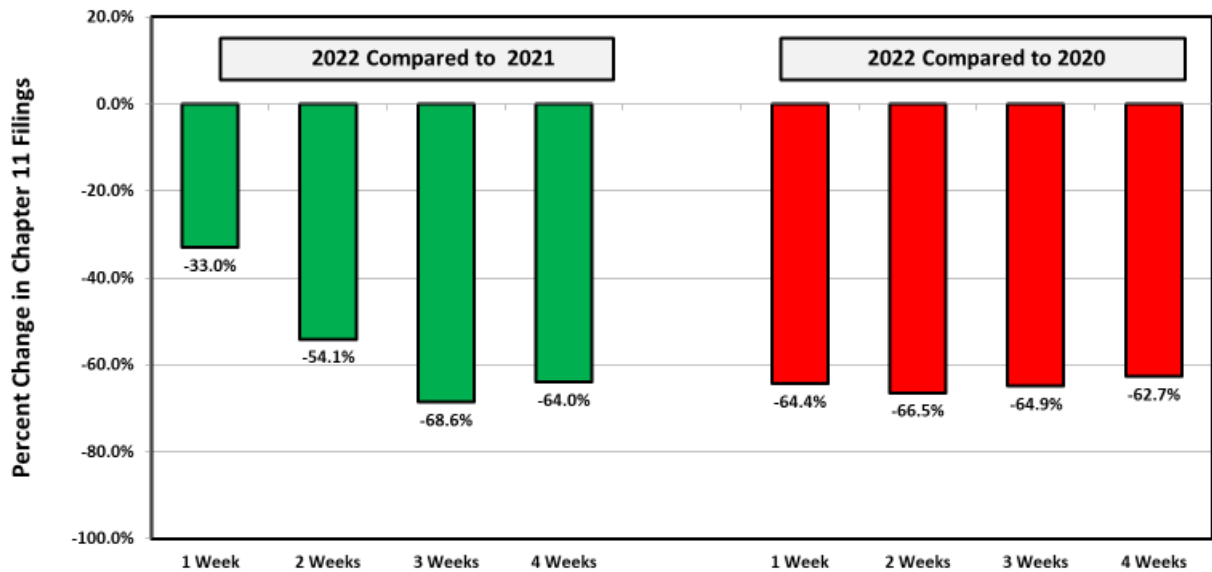
Chapter 7 Filing Trends

Percent Change From 2021 and 2020



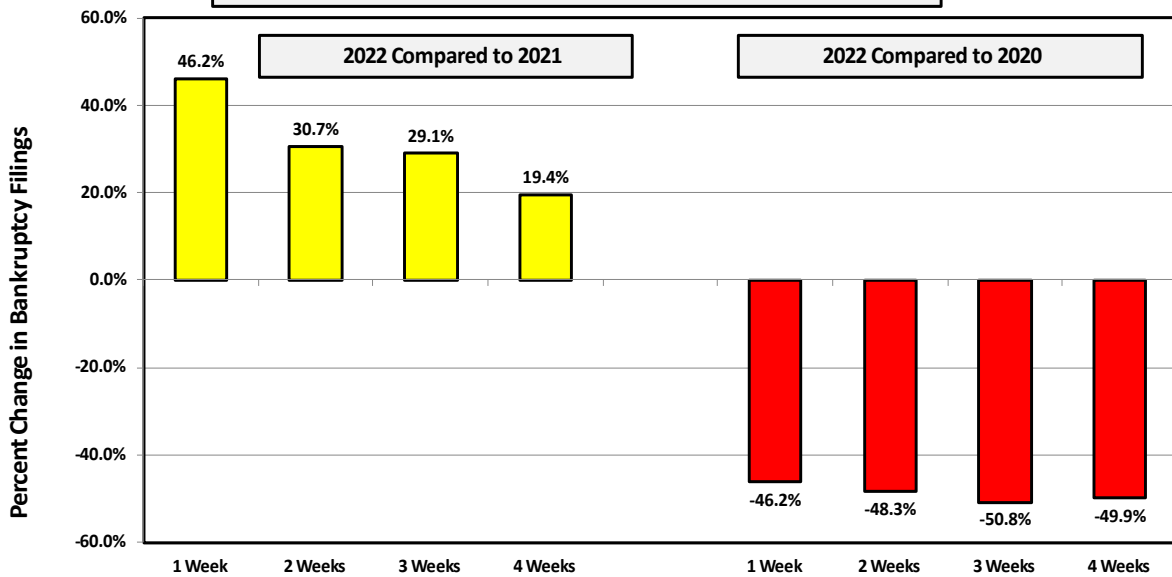
Week Ending
February 20

Chapter 11 Filing Trends Percent Change From 2021 and 2020



Week Ending
February 20

Chapter 13 Filing Trends Percent Change From 2021 and 2020



Chapter 11 Cases

Chapter 11 filings during the week were well under the number filed during the same week each of the last two years. All of the 63 chapter 11 cases filed during the week were solo cases, while a substantial portion of the filings in 2021 and 2020 were related filings by

corporate subsidiaries. Excluding related cases, filings last week were about the same as last year but were well below the same week two years ago (shortly before the onset of the pandemic).

The sole notable chapter 11 filing during the week was by fugitive Chinese businessman Guo Wengui. He filed in Connecticut on February 15 under the name Ho Wan Kwok. The debtor reported hundreds of millions in debts but only modest monthly income and assets.

Types of Chapter 11 Cases Filed			
	February 14 - 20		
	2022	2021	2020
Total Filed	63	94	177
Solo Cases	63	65	89
Parent Cases	0	4	11
Child Cases	0	25	77
<i>Filed By Individuals</i>	20	18	40
Subchapter V Cases	31	40	NA

Subchapter V Is Two Years Old

The Small Business Reorganization Act of 2019 (SBRA) took effect on Feb. 19, 2020, just a few weeks before the national shutdown due to the COVID-19 pandemic. With the creation of subchapter V, the SBRA provided a streamlined path through chapter 11 for small business debtors.

The Administrative Office of the U.S. Courts has not made public any data on subchapter V cases. All of the following information on the first two years of subchapter V has been compiled by the American Bankruptcy Institute via a review of PACER records.

- There were 2,977 subchapter V cases filed in the first two years of its availability;
- Subchapter V cases have been filed in every state;
- The following six states have had more than 100 subchapter V cases:
 - o Florida (432)
 - o California (333)
 - o Texas (317)
 - o New York (181)
 - o Illinois (115)
 - o New Jersey (106)
- About one-quarter of the subchapter V cases were 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 have clearly been caused by the pandemic, including, hotels and motels, taxi/limousine services, leisure and entertainment;
- Around 30 percent of subchapter V cases have been 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 subchapter V became available;
- The data shows that attorney choice was a big factor in whether or not subchapter V was used. Most attorneys use it nearly all the time, but some don't use it at all;
- More than 1,200 attorneys have served as the lead attorney in a subchapter V case; and
- Including judges, trustees and debtors' attorneys, about 2,000 bankruptcy professionals have been involved in subchapter V cases.

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<https://www.abi.org/newsroom/headlines>.