

Weekly Bankruptcy Analysis

June 27 – July 3, 2022

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The 9,081 cases bankruptcy cases filed last week was the third-highest weekly total so far in 2022. Chapter 7 filings were boosted by the end-of-the-month surge that occurs every month.

Chapter 13 filings were the highest weekly total since the onset of the pandemic. Nearly one third of the chapter 13 filings were in Texas and Georgia. Chapter 13 filings spike in those states each month just before “Foreclosure Tuesday,” which occurs on the first Tuesday of each month.

Despite the relatively high volume of cases last week, filings are still down by about half from prior to the pandemic.

Bankruptcy Filings June 27 - July 3, 2022				
Type of Case	Number Filed	Percent Change From Same Week Last Three Years		
	2022	2021	2020	2019
Total	9,081	-6.9%	-18.2%	-51.1%
- Chapter 7	5,237	-25.3%	-36.6%	-53.9%
- Chapter 11	76	-2.6%	-57.1%	-51.0%
- Chapter 13	3,766	41.7%	44.2%	-46.6%
- Other Cases*	2	-60.0%	-96.4%	-80.0%
* Chapters 9, 12 and 15				

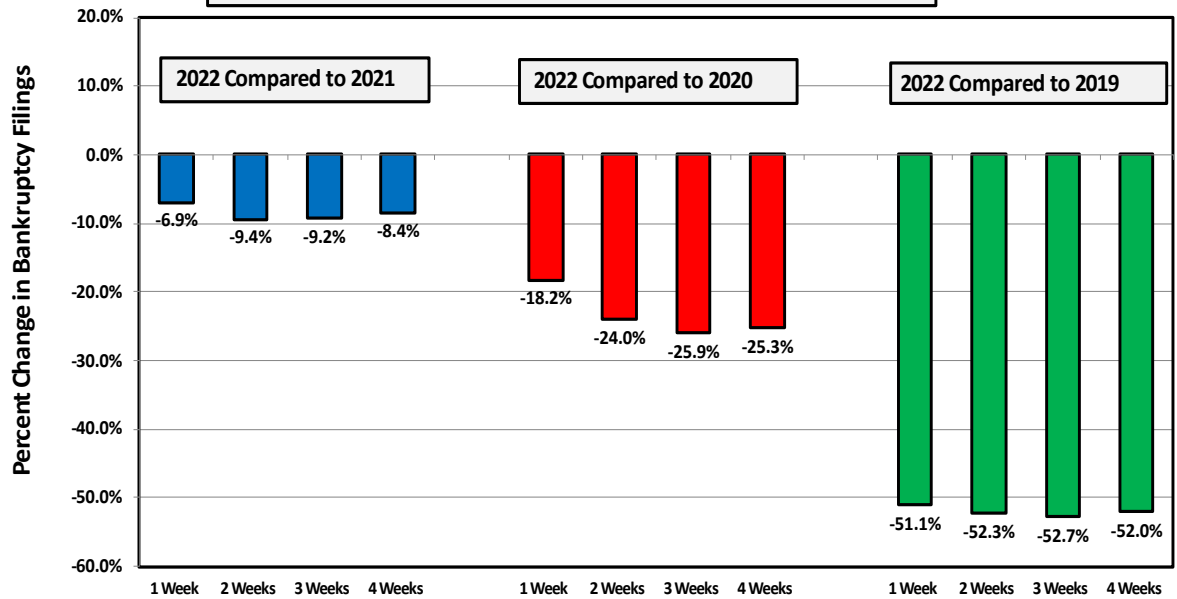
The following charts show recent weekly filing trends by chapter compared to 2021, 2020 and 2019.

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
July 3

Bankruptcy Filing Trends (All Chapters)

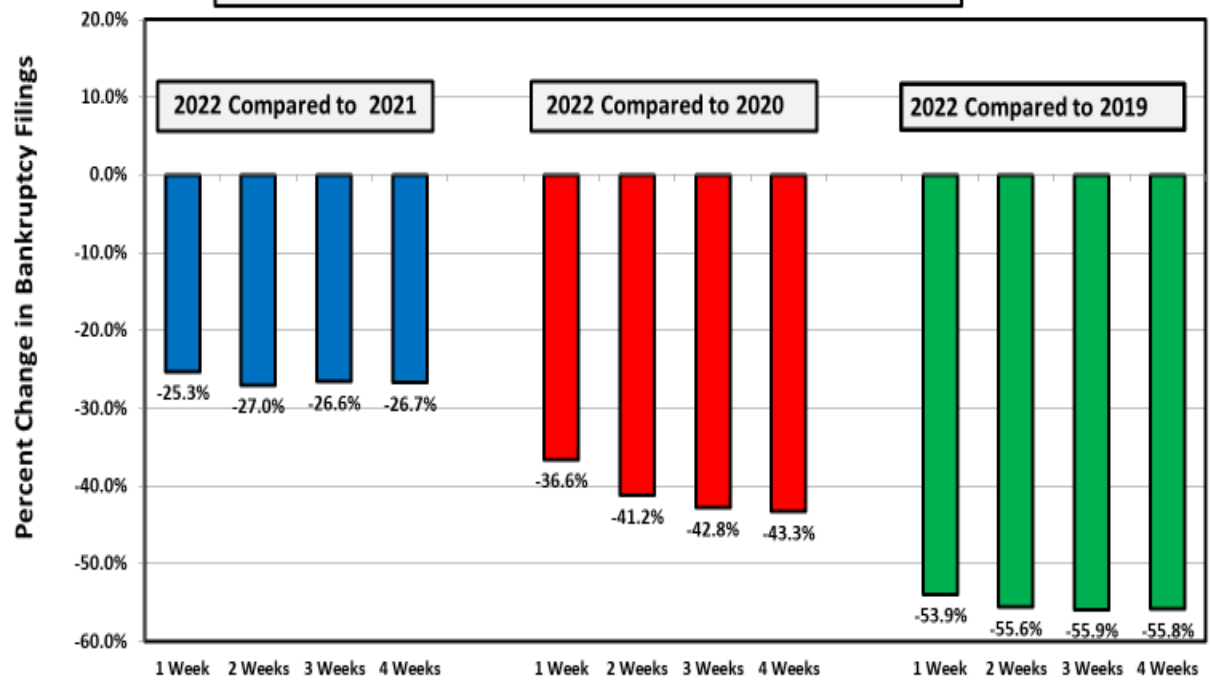
Percent Change From 2021, 2020, and 2019



Week Ending
July 3

Chapter 7 Filing Trends

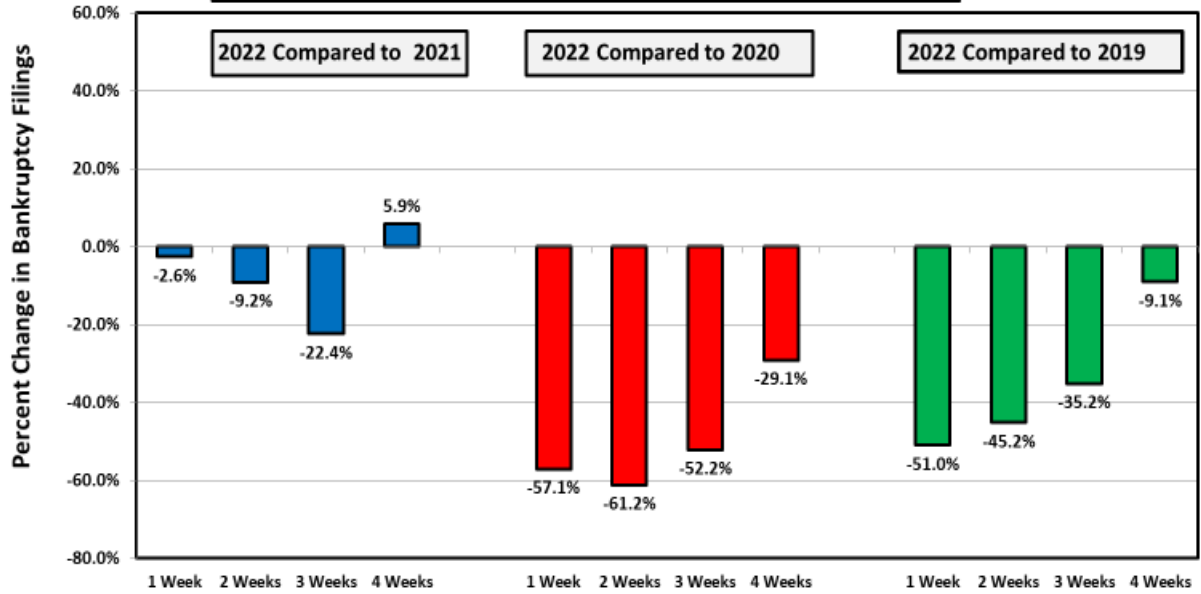
Percent Change From 2021, 2020, and 2019



Week Ending
July 3

Chapter 11 Filing Trends

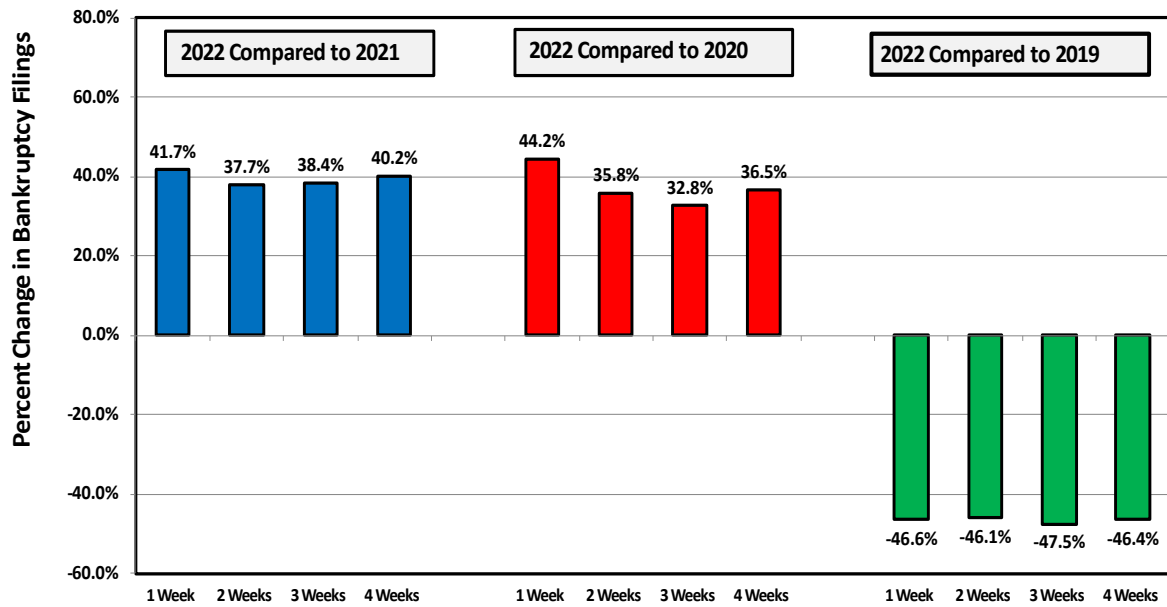
Percent Change From 2021, 2020, and 2019



Week Ending
July 3

Chapter 13 Filing Trends

Percent Change From 2021, 2020, and 2019



Chapter 11 Cases

The 76 chapter 11 cases filed last week was about the same as in 2021, but less than one-half the number that were filed in 2020 (early in the pandemic) and 2019 (pre-pandemic). However, a majority of the filings in 2020 were related filings by corporate subsidiaries. Excluding these related cases, filings last week were nearly as high as in 2020.

There were four notable filings during the week, two each in Delaware and the Southern District of New York. Youth Center operator Madison Square Boys & Girls Club, Inc. filed in the Southern District of New York on June 29. Crypto hedge fund Three Arrows Capital Ltd. filed a chapter 15 case there on July 1. The two Delaware cases were filed by residential lender First Guaranty Mortgage Corp. on June 30, and retail technology company Enjoy Technology, Inc., along with two related entities, also on June 30.

Types of Chapter 11 Cases Filed				
	June 27 - July 3			
	2022	2021	2020	2019
Total Filed	76	78	177	155
Solo Cases	56	61	59	97
Parent Cases	5	5	12	14
Child Cases	15	12	106	44
<i>Filed By Individuals</i>	13	18	21	29
Subchapter V Cases	29	27	29	N/A

Collections and Distributions in Chapter 13 Cases

Chapter 13 filings plunged during the pandemic, although they have been on the rise in recent months.

The following chart shows filings, collections, and distributions by Fiscal Year for the last six years. The source of the financial information is the Executive Office for United States Trustees, a branch of the Department of Justice. This data does not include cases in North Carolina and Alabama, because they are served by Bankruptcy Administrators, and the Judiciary has not made public any information on collections and distributions in cases filed there.

Chapter 13 Filings and Payments (in \$ Millions) Fiscal Years Ended September 30, 2016 - 2021						
Fiscal Year	2021	2020	2019	2018	2017	2016
New Cases Filed	105,487	179,131	264,537	263,352	271,025	273,667
Payments by Debtors	\$5,169.3	\$5,564.7	\$5,585.1	\$5,482.6	\$5,621.7	\$6,059.1
- Ongoing Mortgage Payments	\$919.8	\$1,002.9	\$997.6	\$965.3	\$991.1	\$1,070.0
- Mortgage Arrearages	\$470.1	\$490.0	\$495.5	\$471.4	\$500.5	\$540.8
- Other Secured Creditors	\$1,323.9	\$1,422.3	\$1,443.8	\$1,410.5	\$1,374.3	\$1,395.4
- Priority Creditors	\$303.4	\$307.5	\$321.7	\$324.4	\$342.5	\$370.8
- Unsecured Creditors	\$1,246.6	\$1,161.8	\$1,141.6	\$1,157.2	\$1,294.2	\$1,569.8
- Debtor's Attorneys	\$425.0	\$582.3	\$593.2	\$573.4	\$571.1	\$574.3
- Payments to Chapter 13 Trustees	\$369.5	\$412.5	\$353.0	\$351.8	\$352.6	\$350.0

While filings were down by about 60 percent in Fiscal Year 2021 compared to pre-pandemic levels, collections and distributions by chapter 13 trustees declined by less than 10 percent. Of course, a sizable portion of collections is still from cases filed pre-pandemic. I expect that collections and distributions will continue to drop for at least the next three years, even if chapter 13 filings rebound to pre-pandemic levels.

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