

Weekly Bankruptcy Analysis

March 29–April 4, 2021

Written by:

Ed Flynn¹

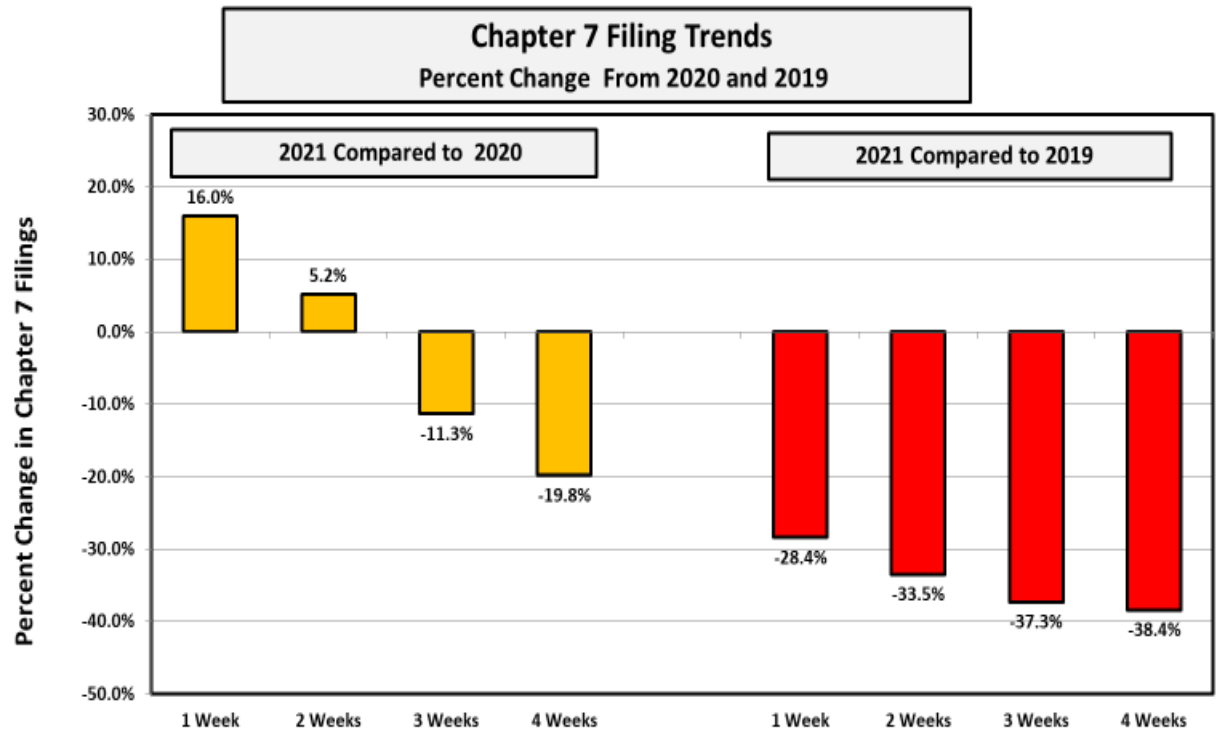
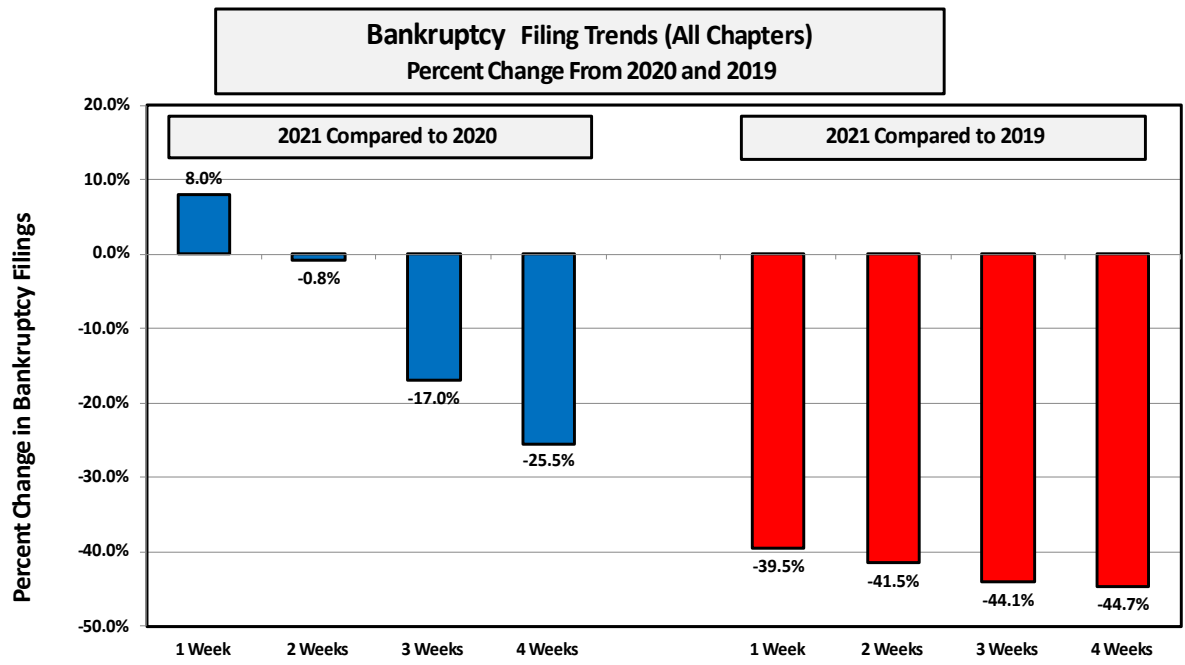
American Bankruptcy Institute; Alexandria, Va.

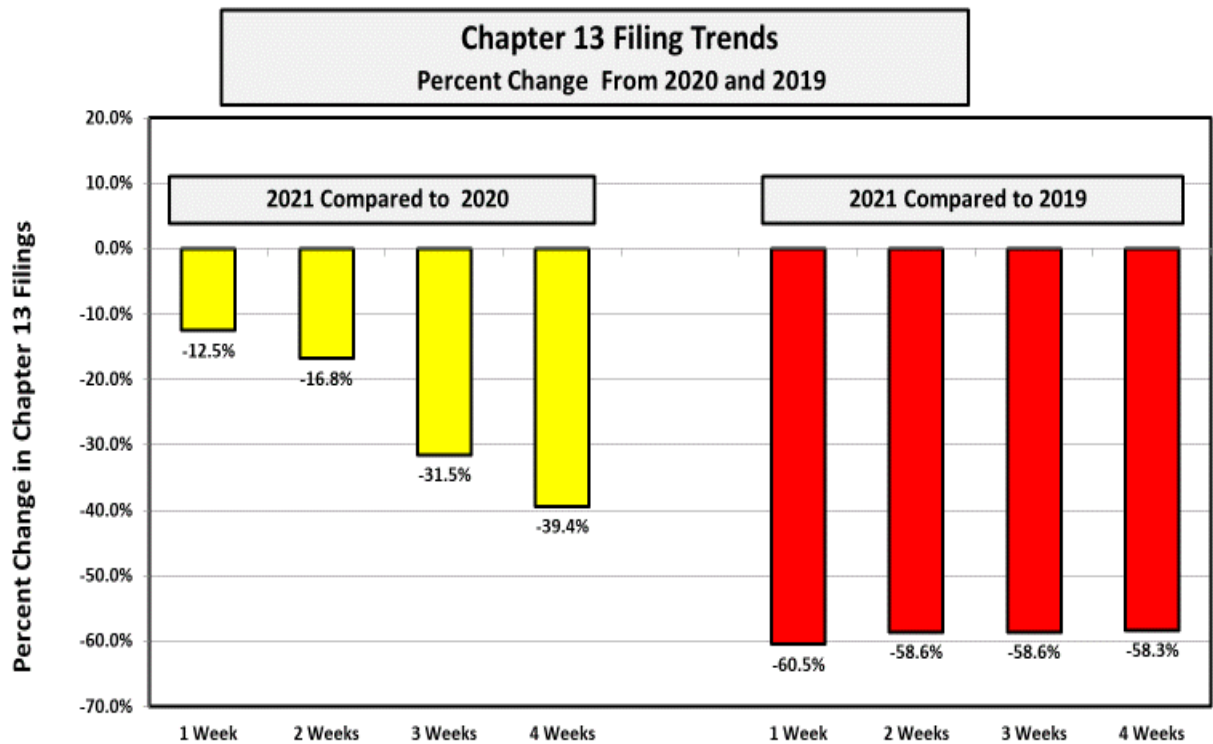
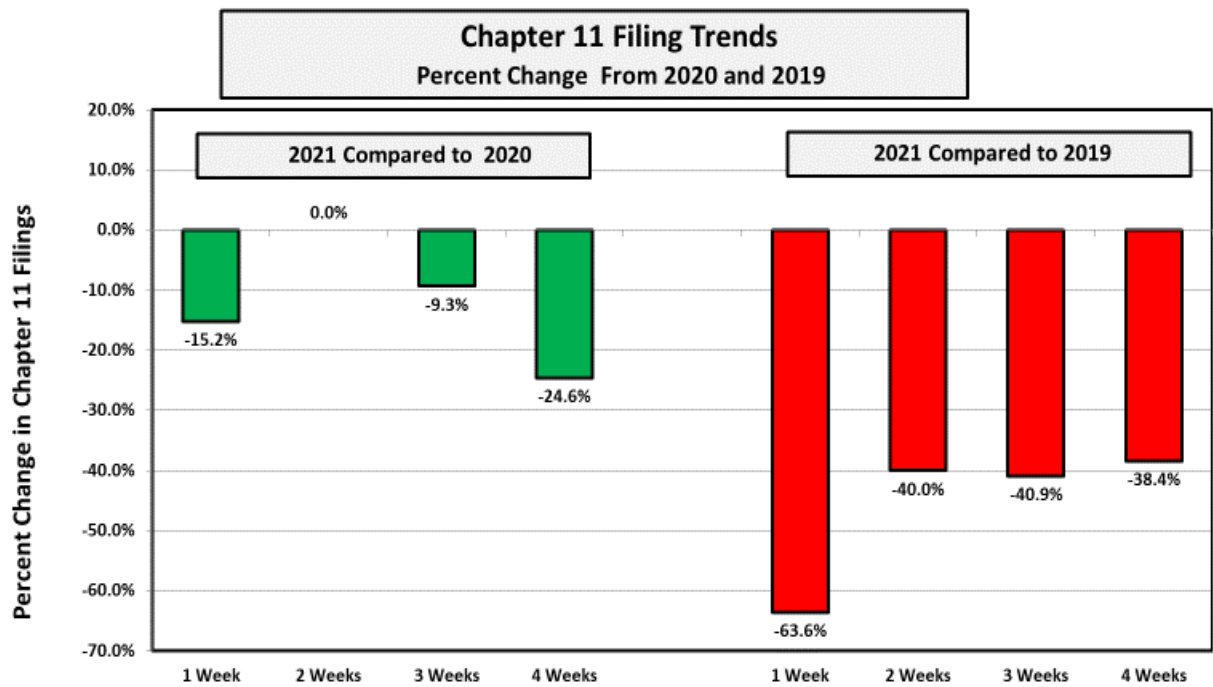
Over 11,000 bankruptcy cases were filed last week, the highest weekly total in five months. Total filings were up slightly from the same week in 2020 (when the nation was largely shut down due to the pandemic), but were down by nearly 40 percent from the same week two years ago.

Bankruptcy Filings March 29 - April 4, 2021			
Type of Case	Number Filed	Week Last Two Years	
		2020	2019
Total	11,468	8.0%	-39.5%
- Chapter 7	8,892	16.0%	28.4%
- Chapter 11	67	-15.2%	-63.6%
- Chapter 13	2,505	-12.5%	-60.5%
- Other Cases*	4	-16.0%	-81.8%
* Chapters 9, 12 and 15			

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

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.





Chapter 11 Cases

Chapter 11 case filings were quite low during the week — the lowest weekly total since early January. The single large case filed during the week involved Texas electricity retailer Entrust Energy, Inc. They filed, along with 14 related entities, on March 31 in the Southern District of Texas. They are the latest to file as a result of the sharp spike in energy prices after the mid-February storm that devastated Texas.

Types of Chapter 11 Cases Filed			
	March 29 - April 4		
	2021	2020	2019
Total Filed	67	79	184
Solo Cases	47	42	104
Parent cases	3	7	9
Child cases	17	30	71
<i>Filed By Individuals</i>	12	19	41
Subchapter V Cases	29	22	NA

Subchapter V filings returned to normal levels last week following the record number of filings that came in on March 26 when it appeared that the CARES Act provision that had increased the subchapter V debt limit to \$7.5 million was going to expire. However, swift action by the House and Senate allowed President Biden to sign a one-year extension on the day the debt limit was scheduled to revert from \$7.5 million to \$2,725,625.

Paycheck Protection Payments and Subchapter V Debtors

The CARES Act established the Paycheck Protection Program (PPP), which allows businesses to obtain loans to help pay for payroll and certain other expenses. The loans may be forgiven if the business is able to retain its employees while keeping wages stable. Without this program, business bankruptcies would undoubtedly have been much higher as a result of the pandemic.

ProPublica, a nonprofit public interest journalism organization, has created a website that lists all PPP loans granted.² As of March 9, 2021, there have been 7.34 million loans approved for a total of \$679 billion. ProPublica obtained this information from the Small Business Administration.

Of the 29 subchapter V cases filed last week, 14 are listed on the ProPublica website as having had one or more PPP loans approved. (This count may be low, because it would miss any instances in which the debtor name on the bankruptcy petition is not an exact match for the loan recipient on the ProPublica website. The 14 debtors received a total of \$1,190,767 in loans, which helped protect the jobs of 292 employees. Most of the loans were made during April-June 2020, but several of the debtors also received a second loan earlier this year.

² See <https://projects.propublica.org/coronavirus/bailouts/>.

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