

Weekly Bankruptcy Analysis

March 14-20, 2022

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The 7,948 filings during the week represented the second-highest weekly total in five months. However, bankruptcy filings always spike somewhat in March, and filings are less than half as high as they were pre-pandemic.

Bankruptcy Filings March 14 - 20, 2022				
Type of Case	Number Filed	Percent Change From Same Week Last Three Years		
		2021	2020	2019
Total	7,948	-10.3%	-46.9%	-54.2%
- Chapter 7	5,008	-23.2%	-51.3%	-56.7%
- Chapter 11	73	-17.0%	-27.0%	-52.9%
- Chapter 13	2,860	27.6%	-37.5%	-49.2%
- Other Cases*	7	-12.5%	-82.4%	-30.0%
* Chapters 9, 12 and 15				

Compared to last year, the recent pattern of decreasing chapter 7 filings and increasing chapter 13 filings is continuing.

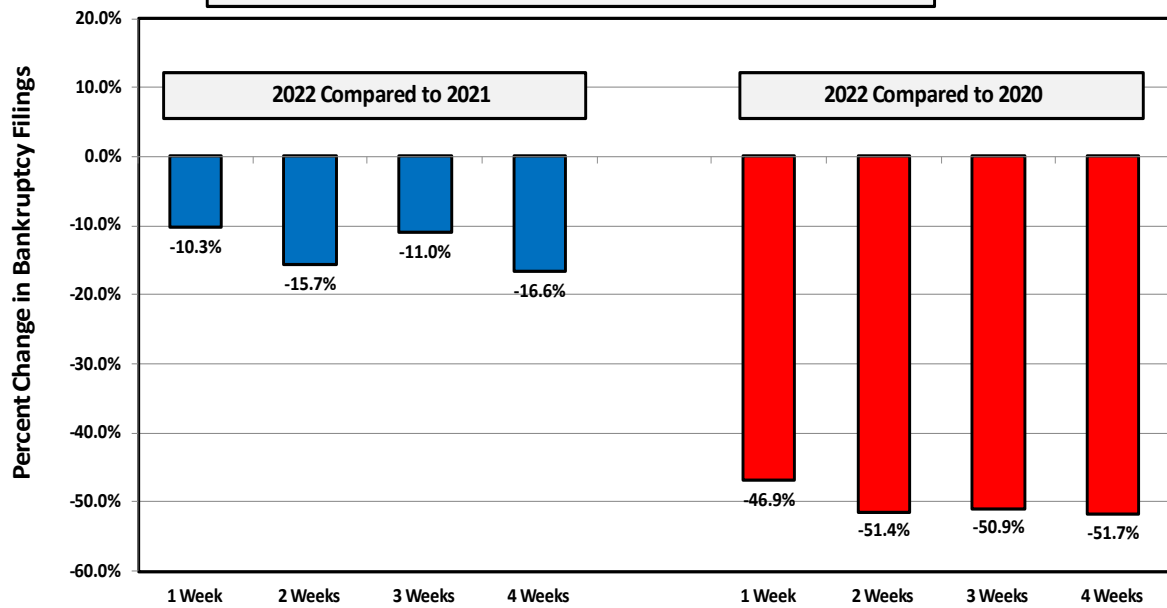
The following charts show recent weekly filing trends by chapter compared to 2021 and 2020.

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
March 20

Bankruptcy Filing Trends (All Chapters)

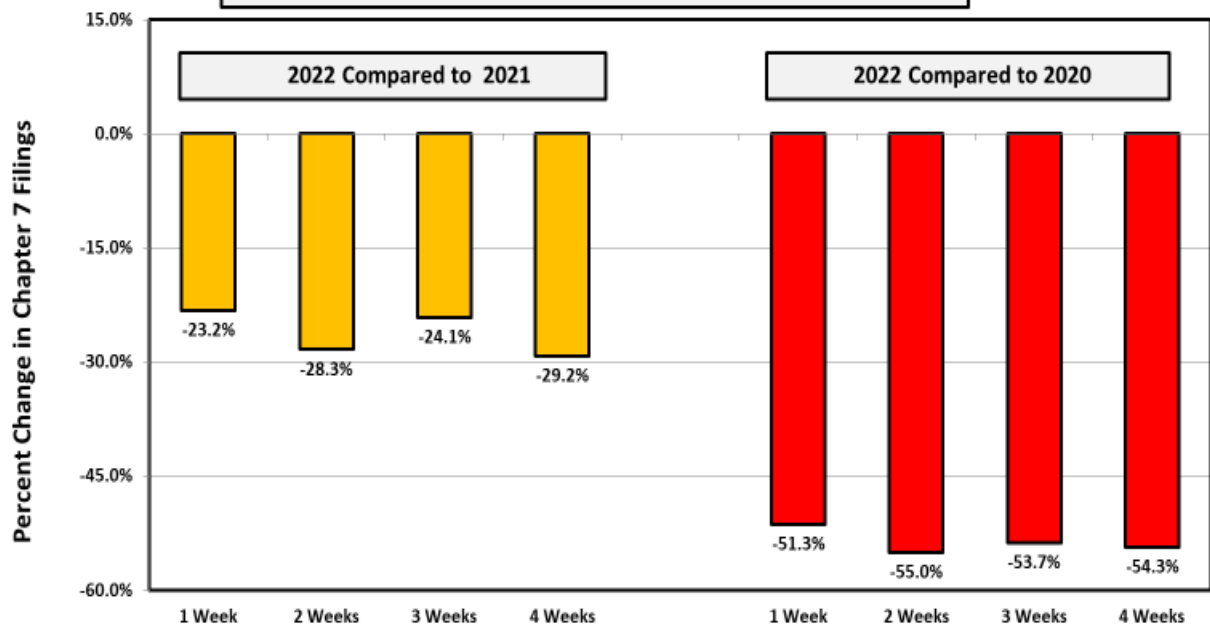
Percent Change From 2021 and 2020



Week Ending
March 20

Chapter 7 Filing Trends

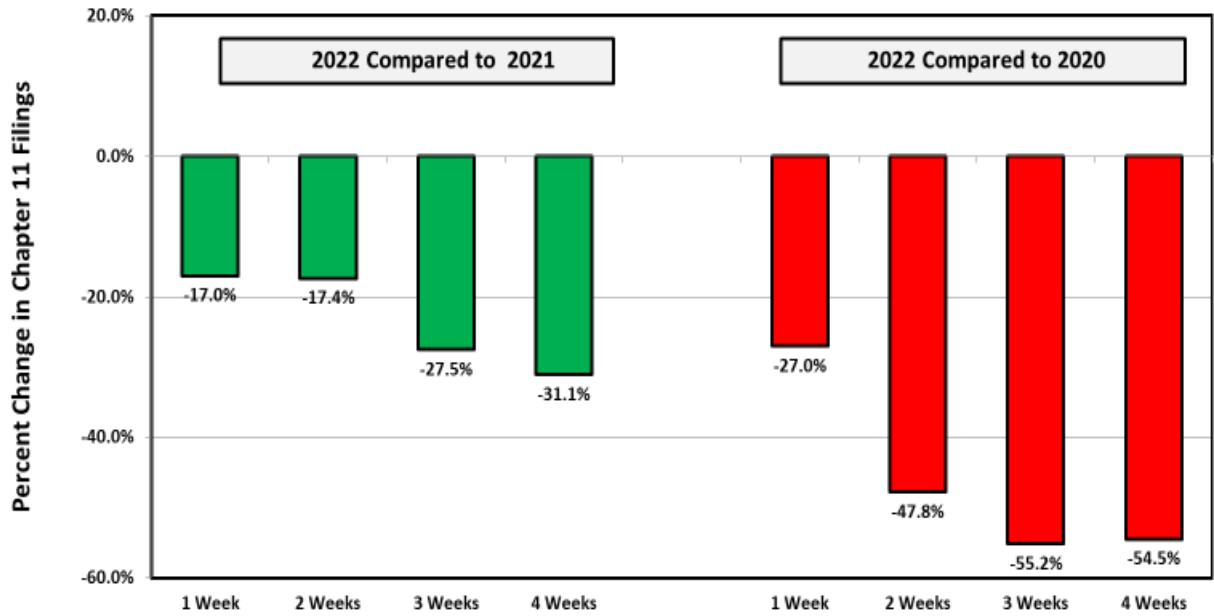
Percent Change From 2021 and 2020



Week Ending
March 20

Chapter 11 Filing Trends

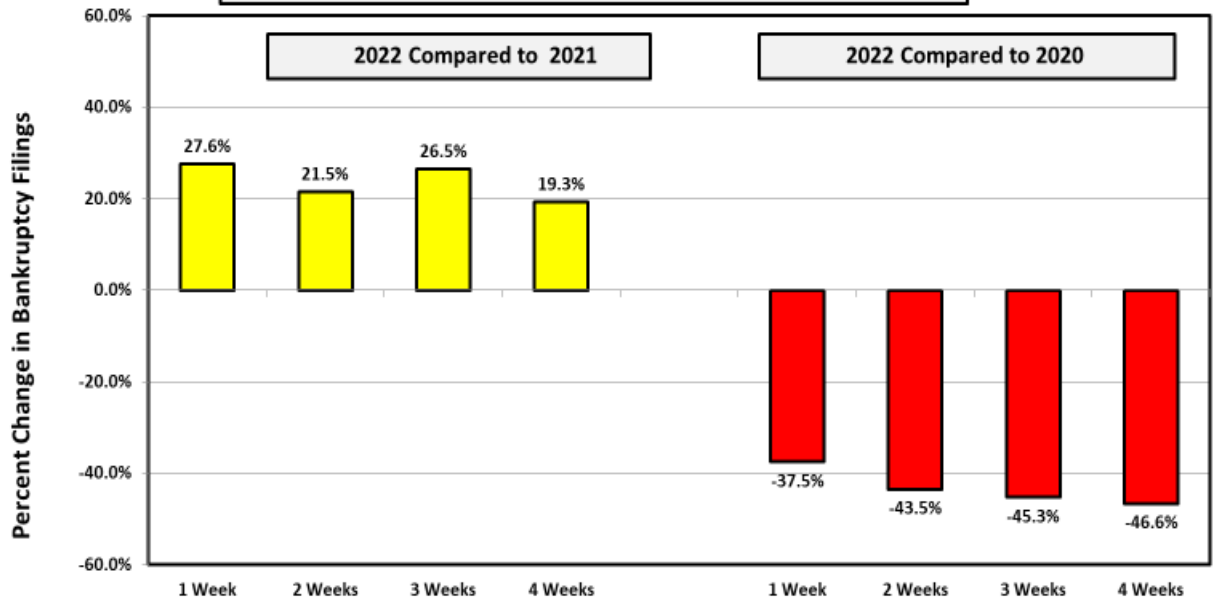
Percent Change From 2021 and 2020



Week Ending
March 20

Chapter 13 Filing Trends

Percent Change From 2021 and 2020



Chapter 11 Cases

Chapter 11 filings during the week were somewhat less than the number filed during the same week each of the last two years. Excluding related cases, however, the number of filings last week were about the same as during the prior two years.

There were no particularly large or notable chapter 11 cases filed during the week.

Types of Chapter 11 Cases Filed			
	March 14 - 20		
	2022	2021	2020
Total Filed	79	88	100
Solo Cases	61	68	65
Parent Cases	5	7	7
Child Cases	7	13	28
<i>Filed By Individuals</i>	<i>15</i>	<i>17</i>	<i>28</i>
Subchapter V Cases	38	34	21

Chapter 13 Debt Limits

Last week, Sen. Charles Grassley (R-Iowa) introduced the “[Bankruptcy Threshold Adjustment and Technical Corrections Act](#)” (S. 3823), which would permanently set the debt limit at \$7.5 million for small businesses electing to file for bankruptcy under subchapter V of chapter 11. It would also raise the debt limit for individual chapter 13 filings to \$2.75 million and remove the distinction between secured and unsecured debt for that calculation. Should the Act pass, the higher debt limits for chapter 13 cases will result in some debtors filing under chapter 13 who would have filed under chapter 11 because they exceed the existing chapter 13 debt limit.

The Integrated Data Base, compiled by the Federal Judicial Center, contains information on all chapter 11 cases filed since the beginning of Fiscal Year 2008 (October 1, 2007). Since then, 16,266 chapter 11 cases have been filed by debtors who reported that a majority of their debt was due to consumer expenses (as opposed to business expenses). Liability information was available for about 89 percent of these cases (14,460). Of these consumer chapter 11 cases with liability information reported, 4,394 were under the applicable chapter 13 debt limit at the time of filing, so the debtors would have been eligible for chapter 13. An additional 3,185 had total debts of over \$2.75 million and would still be ineligible for chapter 13 under the proposed legislation. The remaining 6,881 consumer chapter 13 cases would have been eligible for chapter 13 had the proposed debt limit been in effect at the time of filing. The following chart shows the totals by year.

Consumer Chapter 11 Cases Filed Fiscal Years 2008 -2021			
Fiscal Year	Total Filed	Cases with Debt Amounts Reported	Additional Cases Eligible for Chapter 13
2008	837	710	401
2009	1,306	1,142	595
2010	1,912	1,706	909
2011	1,811	1,633	799
2012	1,527	1,372	688
2013	1,406	1,267	579
2014	1,154	1,023	442
2015	1,095	996	444
2016	1,108	978	422
2017	1,057	938	429
2018	1,026	893	404
2019	954	828	355
2020	627	562	238
2021	446	412	176
14 Year Total	16,266	14,460	6,881

The number of cases that would have been eligible for chapter 13 was highest from 2009-13 due to the Great Recession. The number has been much lower during the last two years, probably because real estate values have soared since the pandemic.

The states with the most chapter 11 cases that would have been eligible for chapter 13 include California (2,112), Florida (711), Arizona (382), New York (376), Nevada (345), Maryland (314) and New Jersey (302). Together, these seven states account for about two-thirds of these types of cases.

This analysis considers only consumer chapter 11 debtors who might have chosen chapter 13 if the proposed higher debt limits had been in place. Certainly, some individual chapter 11 debtors who reported that a majority of their debts were business-related and some chapter 7 debtors who exceeded the existing chapter 13 debt limits also would have filed under chapter 13 if they had been able to do so.

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