Weekly Bankruptcy Analysis
November 30-December 6, 2020

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Total filings were down by 33.4 percent during the week ending December 6 compared to the same week in 2019.[2] Once again, the largest decline involved chapter 13 filings, which were down by well over one-half from last year.

Bankruptcy Filings November 30 - December 6, 2020		
Type of Case	Number Filed	Percent Change From Same Week in 2019
Total	**8,836**	**-33.4%**
- Chapter 7	6,049	-16.3%
- Chapter 11	169	16.6%
- Chapter 13	2,604	-55.7%
- Other Cases*	14	-26.3%
** Chapters 9, 12 and 15*		

The following chart shows the weekly trends since March.

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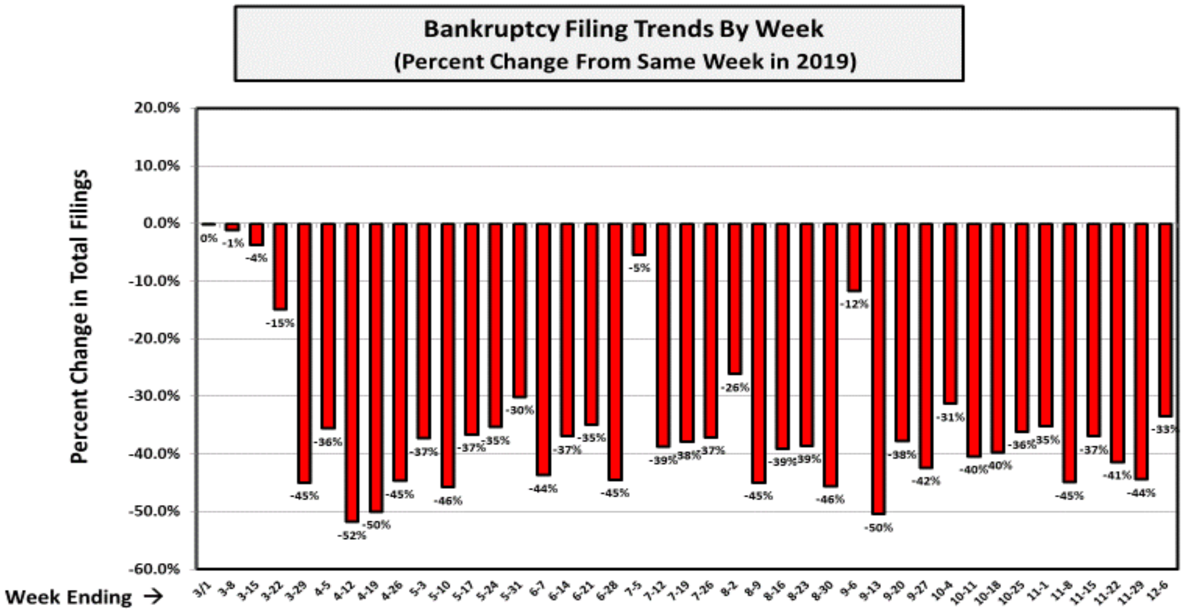
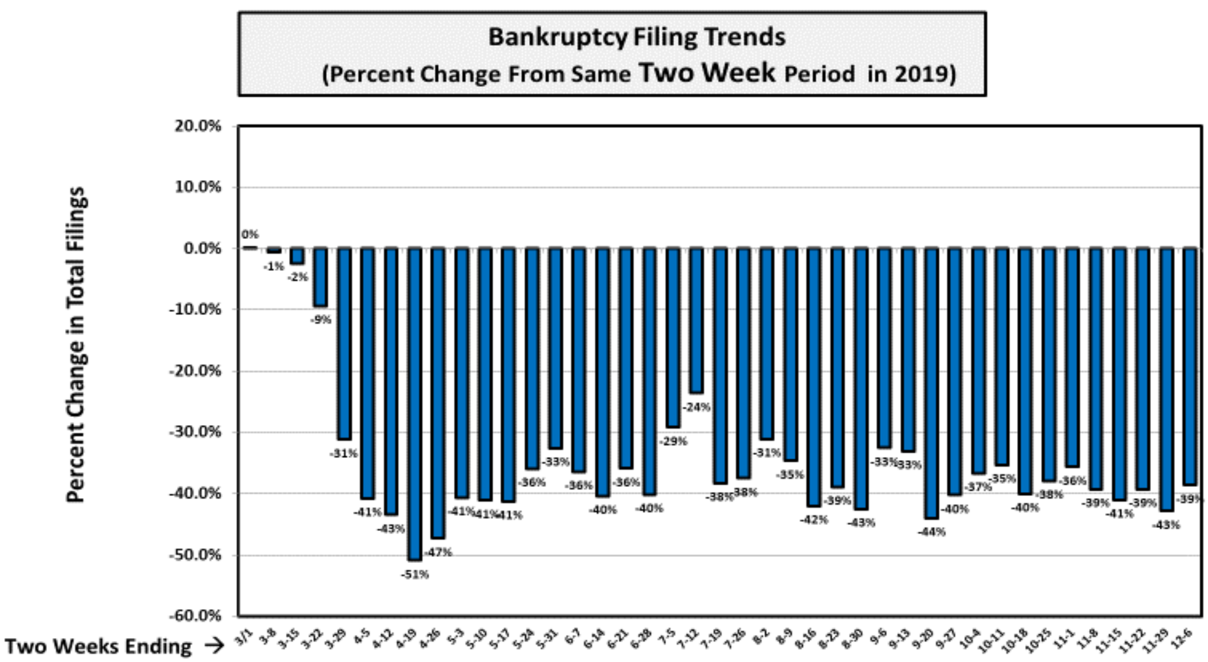
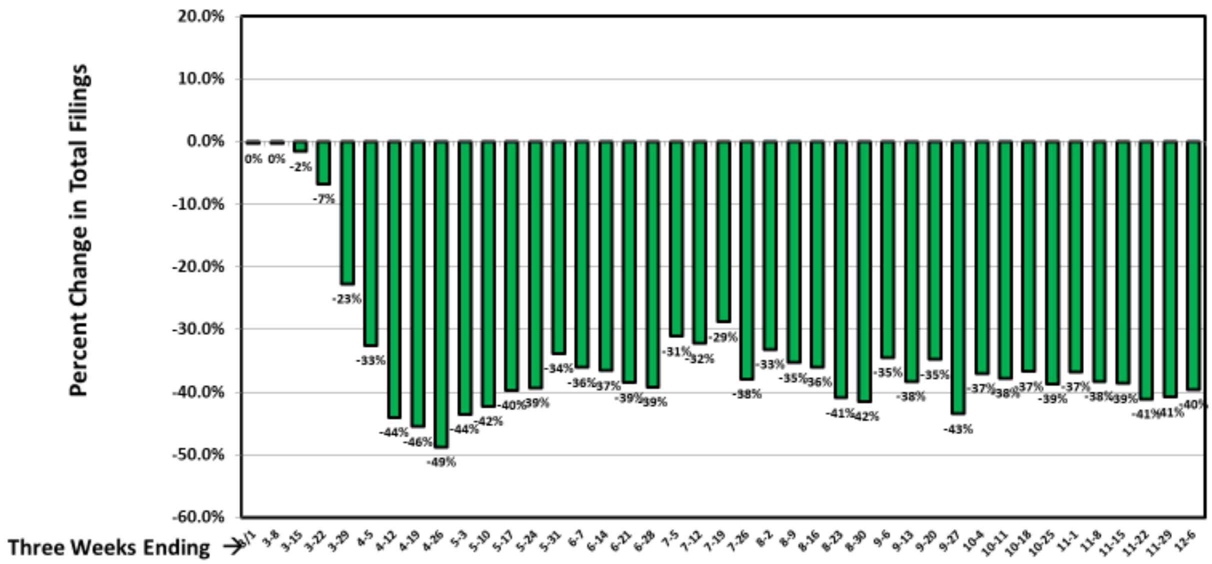
[1] Ed Flynn is a consultant with ABI and serves as a coordinating editor for the *ABI Journal*. He previously worked for more than 30 years at the Executive Office for U.S. Trustees and the Administrative Office of the U.S. Courts.
[2] These figures are from PACER and are subject to change. *See* https://www.pacer.gov/.



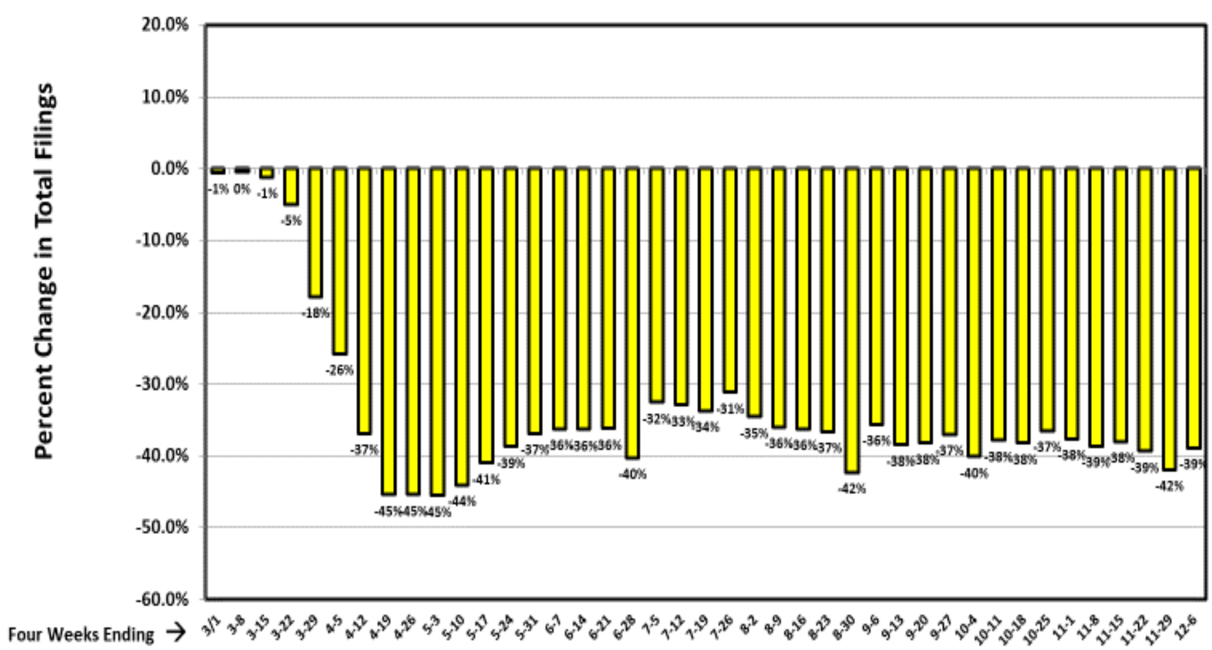
The weekly totals can be affected by several factors. For example, the spike in filings at the end of each month and the timing of holidays can affect weekly totals. To counteract these factors and provide a truer picture of actual trends, the following three charts show the weekly trends based on two-, three- and four-week rolling averages. Overall, they show a continuing pattern of declines of about 40 percent compared to last year (the weekly declines were closer to 50 percent during April, when the COVID-19 shutdowns were at their peak.)



Bankruptcy Filing Trends
(Percent Change From Same Three Week Period in 2019)



Bankruptcy Filing Trends
(Percent Change From Same Four Week Period in 2019)



Chapter 11 Cases

Chapter 11 filings were up from the same week last year, but the increase is largely due to the higher number of cases filed that had numerous related cases filed by corporate subsidiaries.

Types of Chapter 11 Cases Filed		
	November 30 - December 6	
	2020	2019
Total Filed	**169**	**145**
Solo Cases	87	100
Parent cases	8	5
Child cases	74	40
Filed By Individuals	*26*	*33*
Subchapter V Cases	**59**	NA

The 59 subchapter V cases filed during the week were the most filed in a single week since subchapter V became available in February 2020. A total of 1,269 such cases have been filed in the nine months since it has been available.

Notable Case Filings

Four more large cases were filed during the week, including three by energy companies and one by the women's boutique chain Francesca's.

Notable Case Filings November 30 - December 6, 2020				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
Seadrill Partners, LLC	Oil drilling	12/1/2020	Texas Southern	28
White Stallion Energy, LLC	Coal	12/2/2020	Delaware	18
Lighthouse Resources Inc.	Coal	12/3/2020	Delaware	13
Francesca's, LLC	Women's clothing	12/3/2020	Delaware	3

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

Subchapter V Debt Limits

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 initial debt ceiling for subchapter V eligibility was $2,725,625. On March 27, 2020, the CARES Act (The Coronavirus Aid, Relief, and Economic Security Act) raised the debt ceiling for subchapter V eligibility to $7,500,000. Absent further congressional action, the threshold will return to $2,725,625 after one year.

The Federal Judicial Center has released the Fiscal Year 2020 update of its Integrated Data Base (IDB). By matching information on subchapter V cases gathered from PACER by ABI, with data in the IDB we were able to measure the impact of the higher debt limit.

There were 759 subchapter V cases filed in the six months from the time the debt limit was raised to the end of Fiscal Year 2020 (September 30, 2020). Information on liabilities was available for 548 of these subchapter V cases. Of these cases, 157 (28.6 percent) involved debtors whose liabilities exceeded the original limit of $2,725,625. These debtors would not have been eligible for subchapter V without the temporary increase provided by the CARES Act.

Bankruptcy filings of all types, including subchapter V cases, are expected to rise substantially in 2021, particularly as various moratoriums expire and normal collection activity resumes. Hopefully, Congress will act to extend or even increase the $7,500,000 ceiling for subchapter V before it expires next March.