

Weekly Bankruptcy Analysis

November 15-21, 2021

Written by:

Ed Flynn¹

American Bankruptcy Institute; Alexandria, Va.

Bankruptcy filings remained low for the week ending November 21, down by nearly 15 percent from the same week last year. Compared to the same week two years ago (pre-pandemic), bankruptcy filings are down by about half.

Bankruptcy Filings November 15 - 21, 2021			
Type of Case	Number Filed	Percent Change From Same Week Last Two Years	
		2020	2019
Total	7,358	-14.6%	-49.6%
- Chapter 7	4,637	-24.2%	-50.1%
- Chapter 11	62	-46.6%	-46.6%
- Chapter 13	2,659	12.1%	-49.7%
- Other Cases**	0	-100.0%	-100.0%
** Chapters 9, 12 and 15			

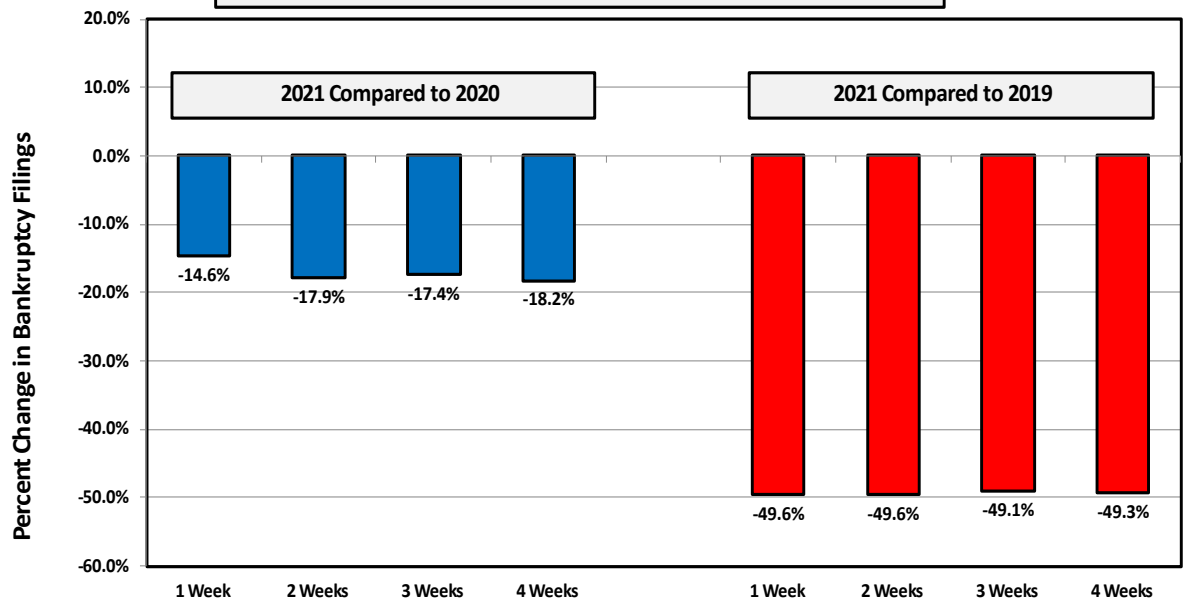
There were no filings under chapters 9, 12 and 15 during the week — the first time this has happened since the onset of the pandemic.

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

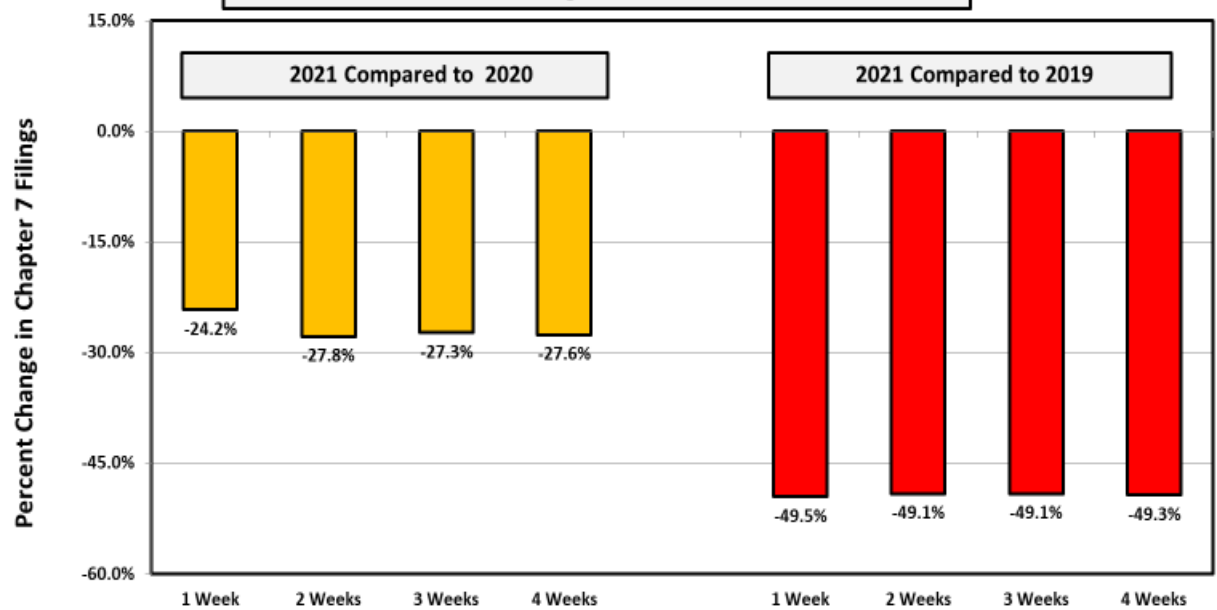
Week Ending
November 21

Bankruptcy Filing Trends (All Chapters) Percent Change From 2020 and 2019



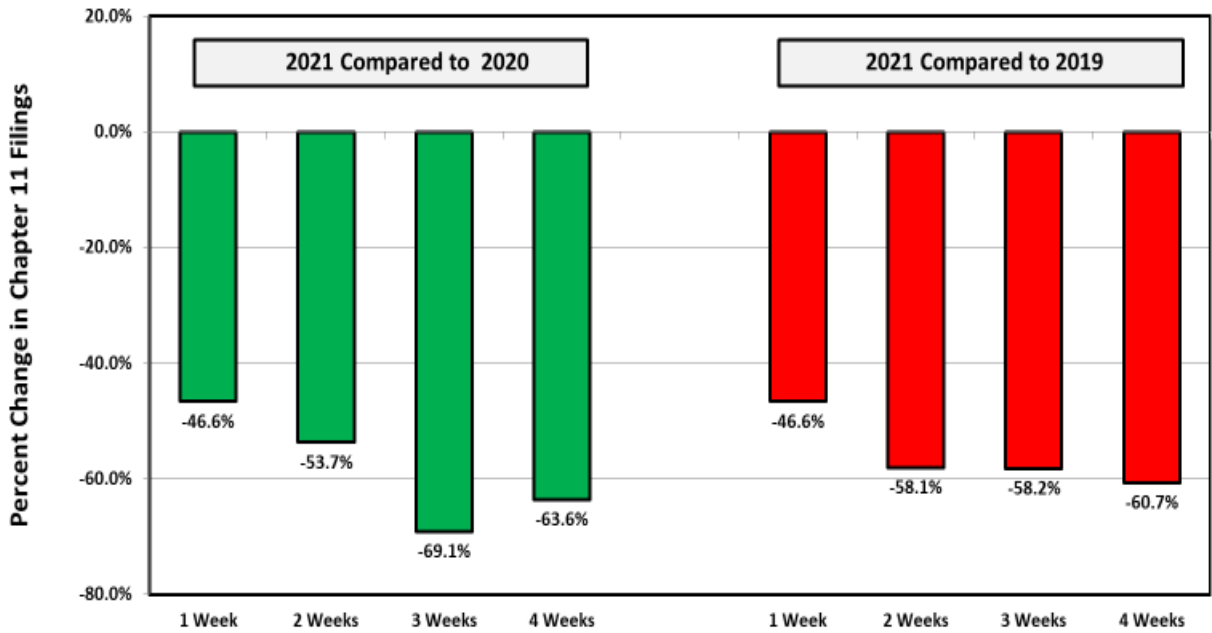
Week Ending
November 21

Chapter 7 Filing Trends Percent Change From 2020 and 2019



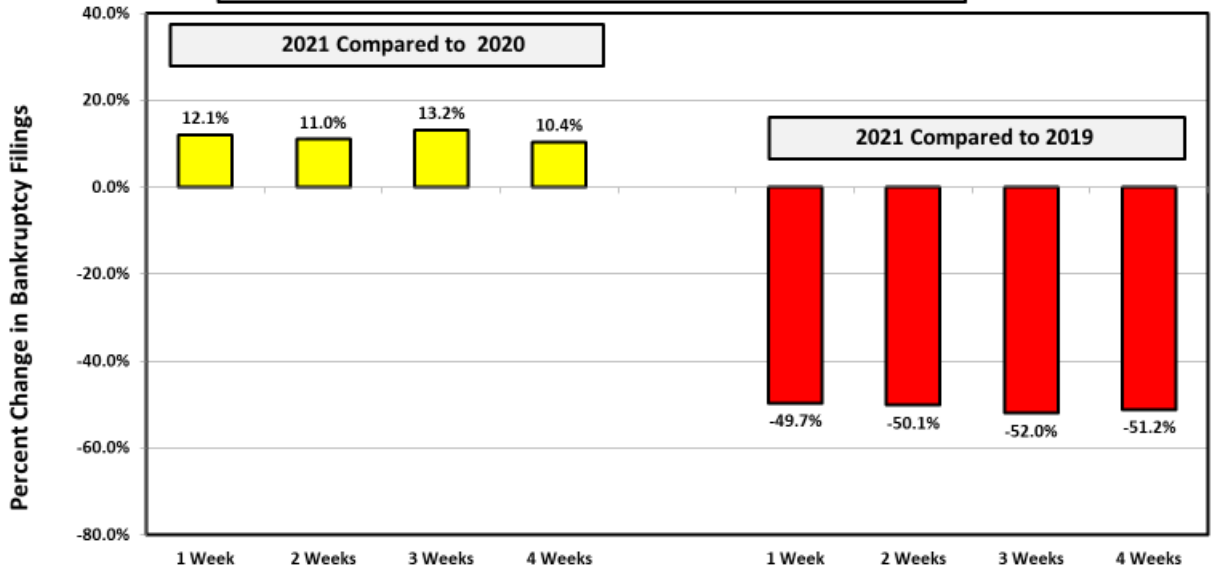
Week Ending
November 21

Chapter 11 Filing Trends Percent Change From 2020 and 2019



Week Ending
November 21

Chapter 13 Filing Trends Percent Change From 2020 and 2019



Chapter 11 Cases

Of the 62 chapter 11 cases filed during the week, exactly half were small business cases. Of the 31 small business cases filed, 26 elected to proceed under subchapter V.

Two very large chapter 11 cases were filed during the week, both in the District of Delaware. Information technology company Riverbend Technology Inc. filed on Nov. 16 along with three related entities. On Nov. 17, Chilean power plant developer Alto Maipo Delaware filed along with one related entity.

Types of Chapter 11 Cases Filed			
	November 15 - 21		
	2021	2020	2019
Total Filed	62	116	116
Solo Cases	45	70	77
Parent Cases	5	6	9
Child Cases	12	40	30
<i>Filed By Individuals</i>	16	15	33
Subchapter V Cases	26	34	NA

Chapter 11 Case Trends

The Federal Judicial Center recently updated its Integrated Data Base with information on cases filed during Fiscal Year 2021. (The Federal Government’s Fiscal Year is the 12-month period ending September 30 each year.)

The following two charts show chapter 11 filings for the last three Fiscal Years. FY 2019 was entirely pre-pandemic, FY 2020 was about half post-pandemic, and of course FY 2021 was entirely post-pandemic.

The first chart shows that chapter 11 filings spiked in FY 2020 mainly due to a surge in filings by entities that were part of a corporate group. Nearly half of all chapter 11 cases during the year were related filings,² and 40 percent of chapter 11 cases were filed in just three judicial districts. In FY 2021, total chapter 11 filings were down compared to the prior two years, as were related filings, consumer cases, *pro se* cases, and filings involving health care businesses, single-asset real estate cases and tax-exempt entities.

² Most of the related filings were designated as such in the Integrated Data Base. However, I also counted as related cases that were not designated as related but appeared to be because they had sequential docket numbers, identical county of origin, and were filed on the same day in the same office.

Chapter 11 Cases Filed Fiscal Years 2019, 2020, 2021			
	2021	2020	2019
Total Filed	5,622	8,188	7,320
Child Cases	2,167	4,015	2,484
Percent Child Cases	38.5%	49.0%	33.9%
District Filed			
- New York Southern	170	757	903
- Delaware	914	1,360	637
- Texas Southern	753	1,159	371
Percent in These 3 Districts	32.7%	40.0%	26.1%
Consumer Cases	448	633	957
(Percent of Total)	8.0%	7.7%	13.1%
Small Business Cases	1,686	1,818	1,450
(Percent of Total)	30.0%	22.2%	19.8%
Filed Pro Se	242	280	416
(Percent of Total)	4.3%	3.4%	5.7%
Prior Filing	758	805	961
(Percent of Total)	13.5%	9.8%	13.1%
Health Care Business	167	414	435
(Percent of Total)	3.0%	5.1%	5.9%
Single Asset Real Estate	445	564	556
(Percent of Total)	7.9%	6.9%	7.6%
Tax Exempt Entity	68	93	103
(Percent of Total)	1.21%	1.14%	1.41%

The second chart shows the same information but excludes all related case filings. The percentage of cases filed in Delaware, New York Southern and Texas Southern is much lower, because these three districts receive the majority of the largest cases, which are also usually accompanied by numerous related cases. The percentage of cases that involve small businesses is rising, while the percentage filed by consumers or filed *pro se* has been falling.

Chapter 11 Cases Filed - Excluding Child Cases Fiscal Years 2019, 2020, 2021			
	2021	2020	2019
Total Filed	5,622	8,188	7,320
<i>Child Cases</i>	<i>2,167</i>	<i>4,173</i>	<i>2,484</i>
Net Chapter 11 Filings	3,455	4,015	4,836
District Filed			
- New York Southern	104	169	240
- Delaware	89	119	102
- Texas Southern	137	193	171
<i>Percent in These 3 Districts</i>	<i>9.6%</i>	<i>12.0%</i>	<i>10.6%</i>
Consumer Cases	437	621	945
<i>(Percent of Total)</i>	<i>12.6%</i>	<i>15.5%</i>	<i>19.5%</i>
Small Business Cases	1,491	1,616	1,336
<i>(Percent of Total)</i>	<i>43.2%</i>	<i>40.2%</i>	<i>27.6%</i>
Filed Pro Se	195	267	407
<i>(Percent of Total)</i>	<i>5.6%</i>	<i>6.7%</i>	<i>8.4%</i>
Prior Filing	528	611	822
<i>(Percent of Total)</i>	<i>15.3%</i>	<i>15.2%</i>	<i>17.0%</i>
Health Care Business	123	140	163
<i>(Percent of Total)</i>	<i>3.6%</i>	<i>3.5%</i>	<i>3.4%</i>
Single Asset Real Estate	339	435	484
<i>(Percent of Total)</i>	<i>9.8%</i>	<i>10.8%</i>	<i>10.0%</i>
Tax Exempt Entity	58	82	92
<i>(Percent of Total)</i>	<i>1.68%</i>	<i>2.04%</i>	<i>1.90%</i>

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