

Weekly Bankruptcy Analysis

October 12-18, 2020

Written by:

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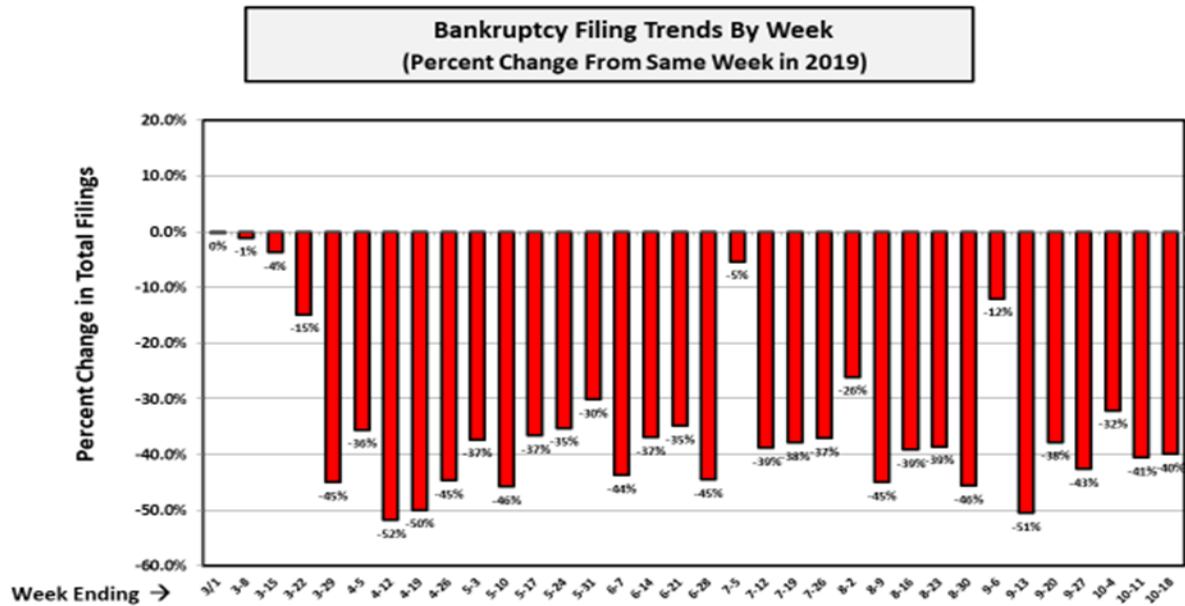
Total filings were down by nearly 40 percent during the week ending October 18 compared to the same week in 2019.² Once again, the largest percentage decline was in chapter 13 filings, which were down by over 57 percent from last year.

Bankruptcy Filings October 12 - 18, 2020		
Type of Case	Number Filed	Percent Change From Same Week in 2019
Total	8,352	-39.9%
- Chapter 7	6,009	-31.1%
- Chapter 11	155	93.8%
- Chapter 13	2,168	-57.3%
- Other Cases*	20	53.8%
* Chapters 9, 12 and 15		

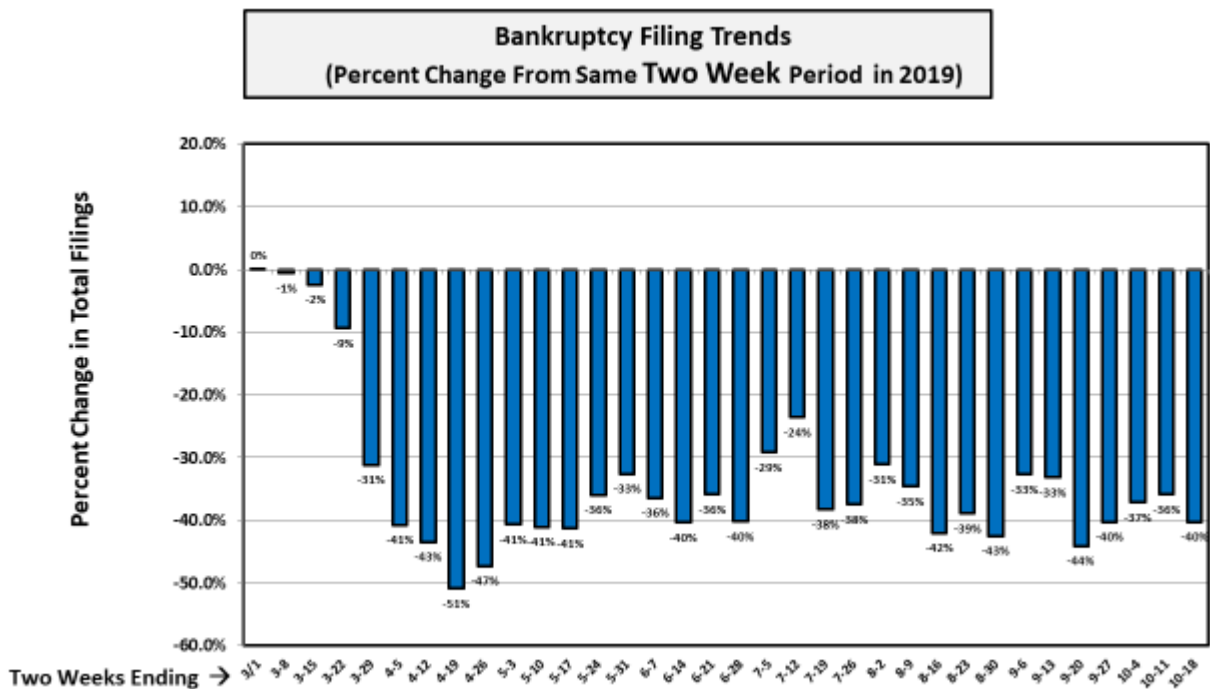
The following chart shows the weekly trends since March.

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.

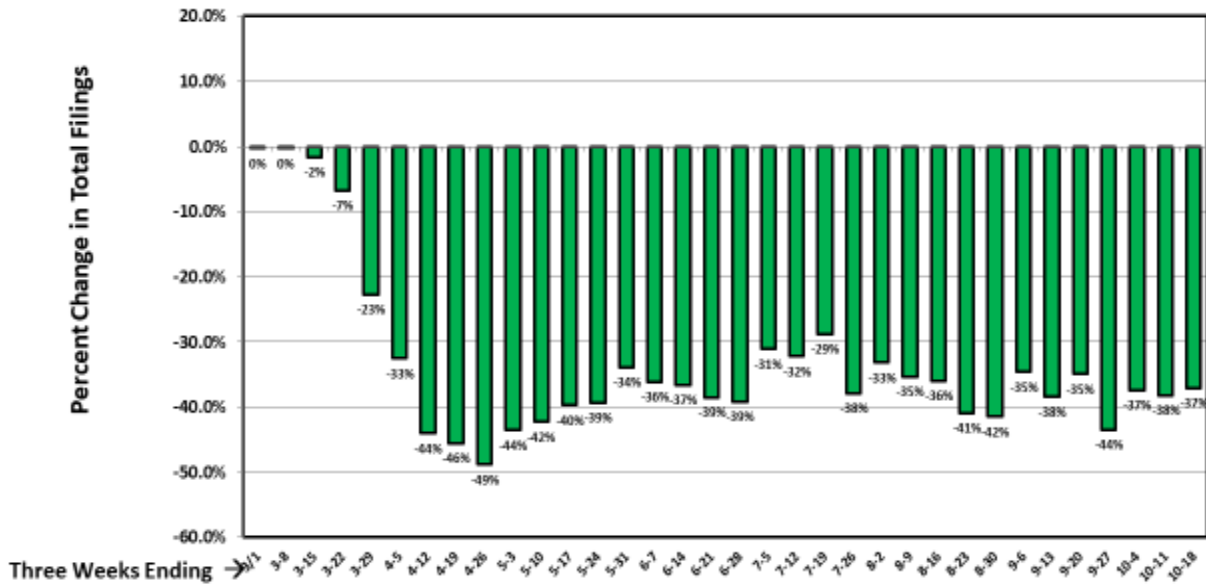
² These figures are from PACER and are subject to change. See <https://www.pacer.gov/>.



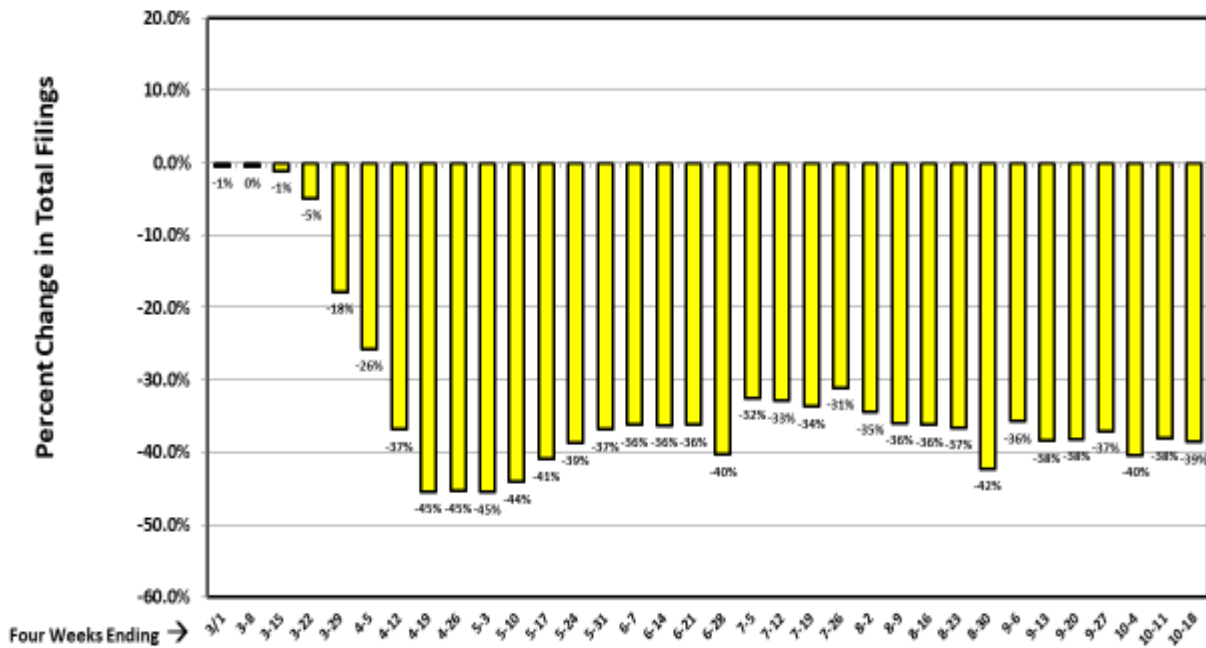
The weekly totals can be affected by several factors. For example, the spike in filings at the end of each month and the timing of holidays can affect weekly totals. To counteract these factors and provide a truer picture of actual trends, the following three charts show the weekly trends based on two-, three- and four-week rolling averages. Overall, they show a continuing pattern of declines in the 40 percent range 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 during the week were up substantially from the same week last year. However, more than one-half of the filings during the week were related filings by subsidiaries within a corporate group, most of which were in the Mallinckrodt PLC case, which had 63 related filings.

Types of Chapter 11 Cases Filed		
	October 12 - 18	
	2020	2019
Total Filed	155	80
Solo Cases	65	53
Parent cases	8	5
Child cases	82	22
<i>Filed By Individuals</i>	<i>18</i>	<i>19</i>
Subchapter V Cases	36	NA

The 36 subchapter V cases filed during the week brings the total such cases to 1,038 in the eight months since it has been available.

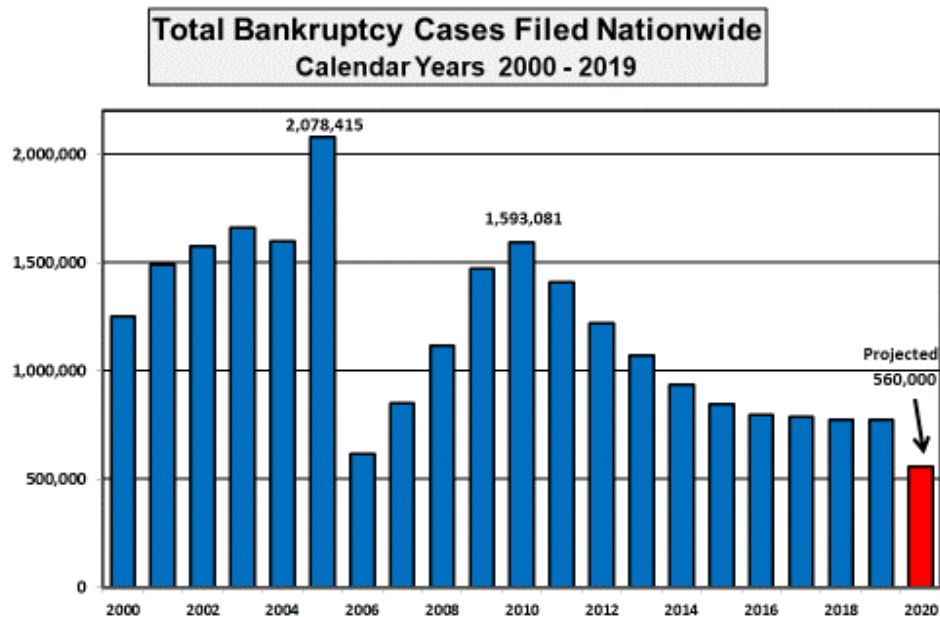
Notable Case Filings

Three more large cases were filed during the week — the most newsworthy of which was by opioid-maker Mallinckrodt PLC.

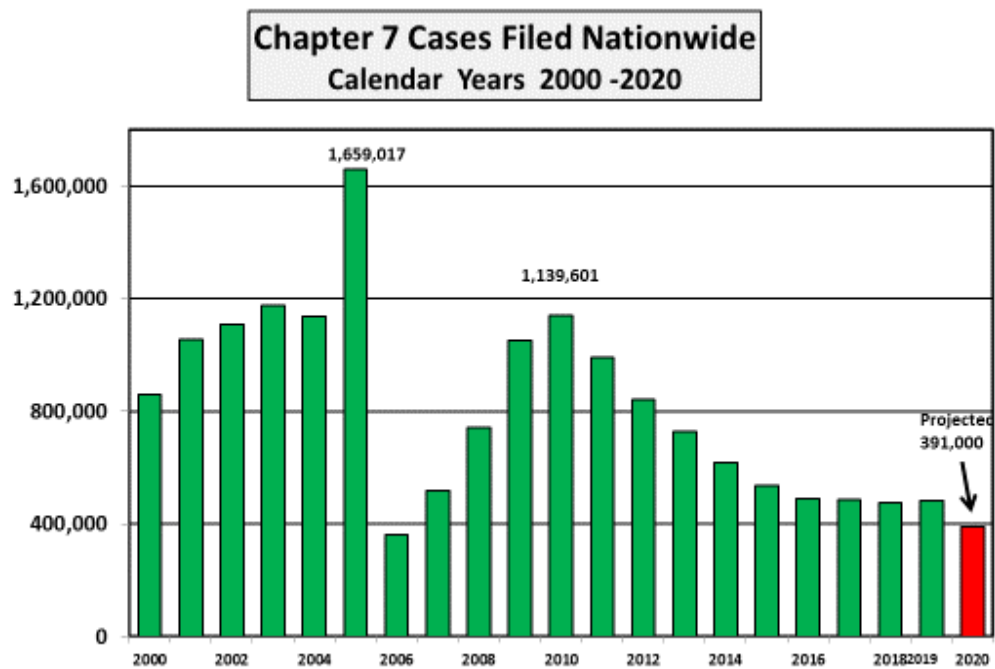
Notable Case Filings - October 12 - 18, 2020				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
Mallinckrodt PLC	Opioid maker	10/12/2020	Delaware	63
MD America Energy, LLC	Oil and gas	10/12/2020	Texas Southern	5
Emergent Capital, Inc.	Life settlement investor	10/15/2020	Delaware	1

Filing Projections for 2020

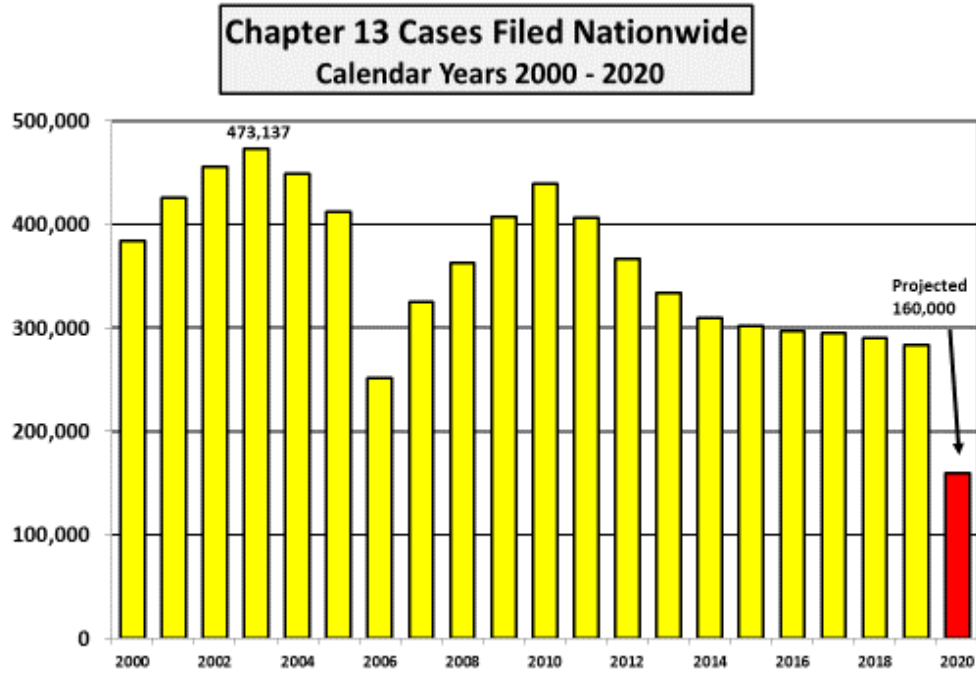
In recent years, bankruptcy filing levels have been fairly flat, falling to between 770,000 and 800,000 cases during each of the last four years. Since the pandemic shutdowns in March, filings have been down sharply, and I expect that filings for the year will be nearly one-third lower than last year. If present trends continue, there will be about 560,000 cases filed this year, the lowest annual total since 1986.



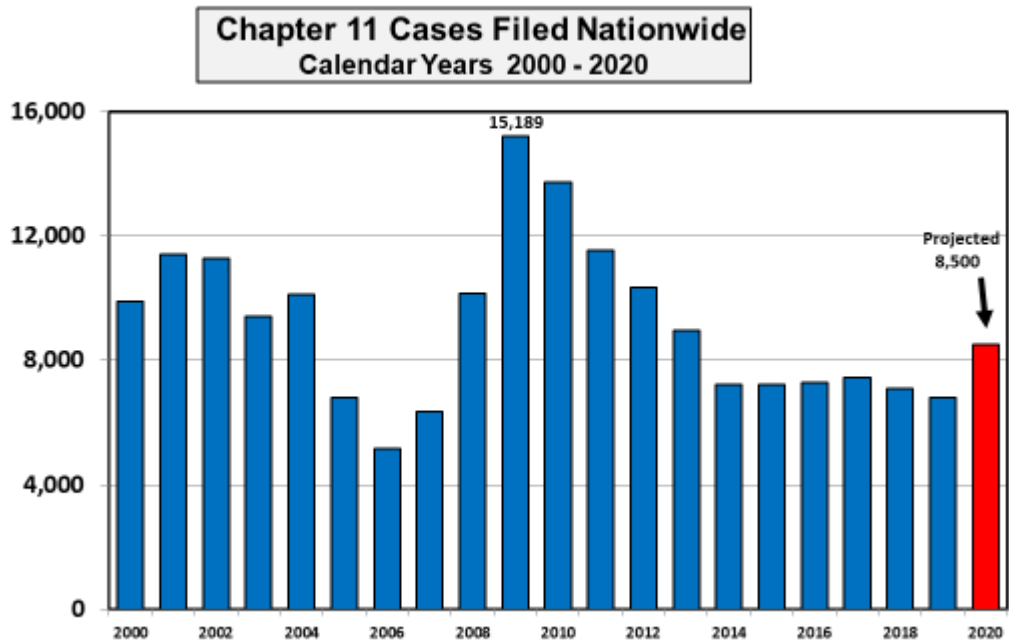
Chapter 7 filings have not declined to the extent that chapter 13 cases have and are projected to be about 20 percent below last year.



Chapter 13 filings for the year will be down well over 40 percent from last year, and by over 60 percent from where they were during the Great Recession.



Chapter 11 filings are on pace to be about 25 percent higher than last year. This will include a record number of very large cases, and about one-half of the chapter 11 cases will be related filings by subsidiaries of a corporate group.



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