

Weekly Bankruptcy Analysis

August 22 -28, 2022

Written by:

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The 7,691 bankruptcy cases filed last week represented a slight increase over the number of filings during the same week last year. This is the fourth consecutive week that total filings have been above the number of filings for the same weeks in 2021. Thus, it appears that filings have finally bottomed out after continual declines since the onset of the pandemic. Total filings are down by about half compared to 2019 (pre-pandemic).

Bankruptcy Filings August 22 - 28, 2022				
Type of Case	Number Filed	Percent Change From Same Week Last Three Years		
		2021	2020	2019
Total	7,691	0.8%	-24.5%	-50.6%
- Chapter 7	4,382	-17.6%	-42.3%	-55.5%
- Chapter 11	76	-1.3%	-26.9%	-12.6%
- Chapter 13	3,229	44.5%	30.1%	-42.5%
- Other Cases*	4	-33.3%	-69.2%	-77.8%
* Chapters 9, 12 and 15				

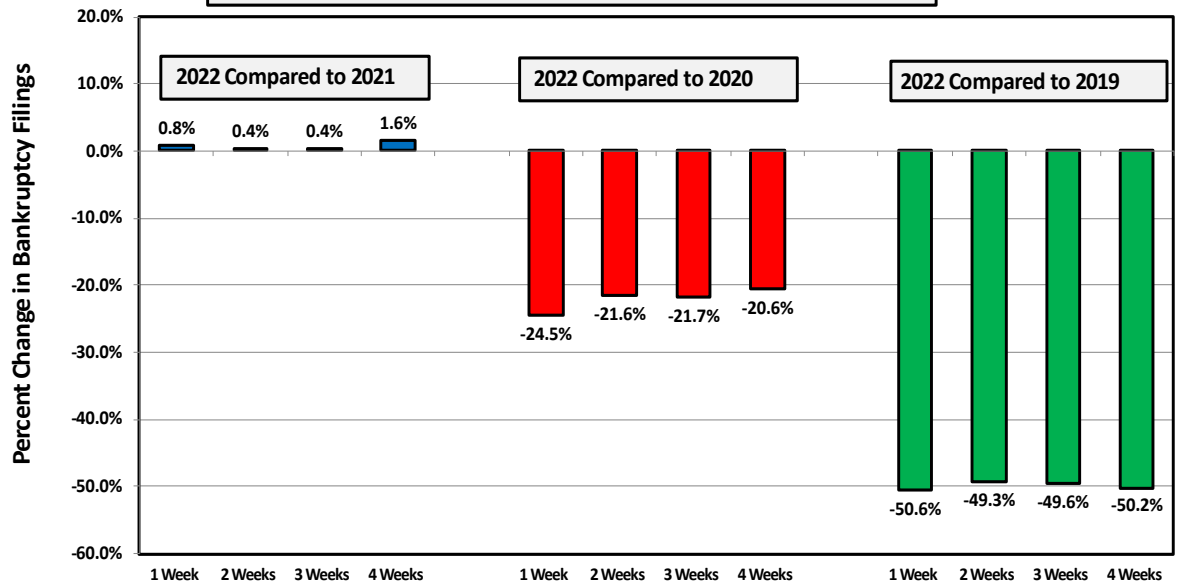
The following charts show recent weekly filing trends by chapter compared to 2021, 2020 and 2019.

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
August 28

Bankruptcy Filing Trends (All Chapters)

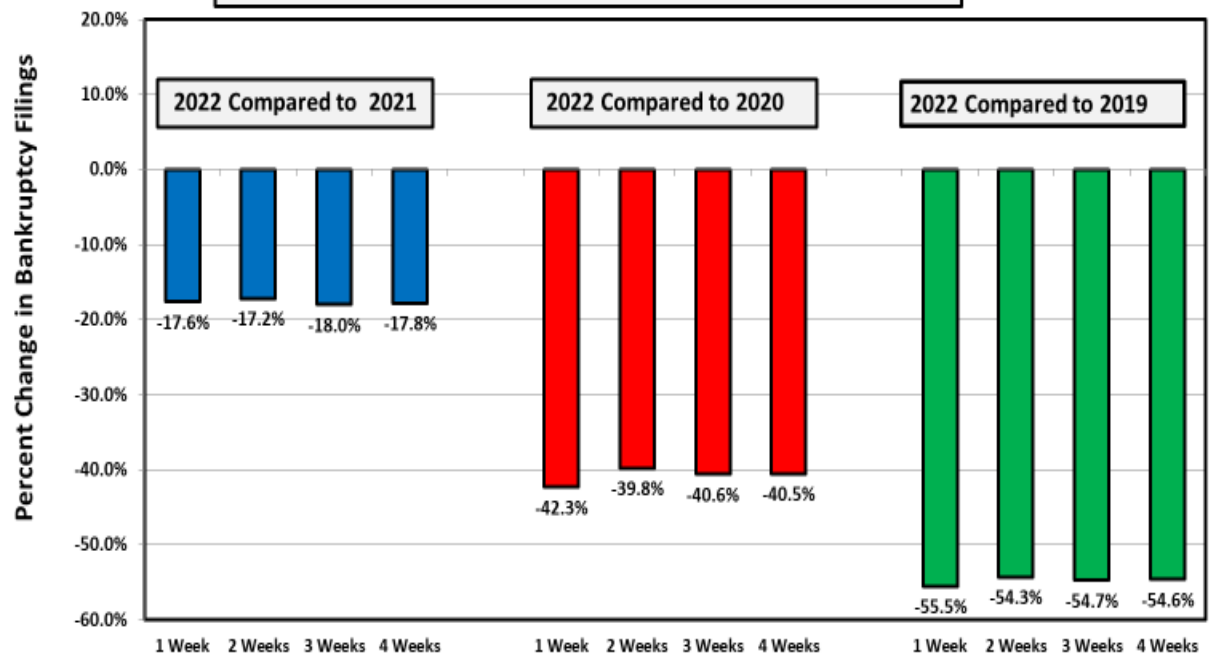
Percent Change From 2021, 2020, and 2019



Week Ending
August 28

Chapter 7 Filing Trends

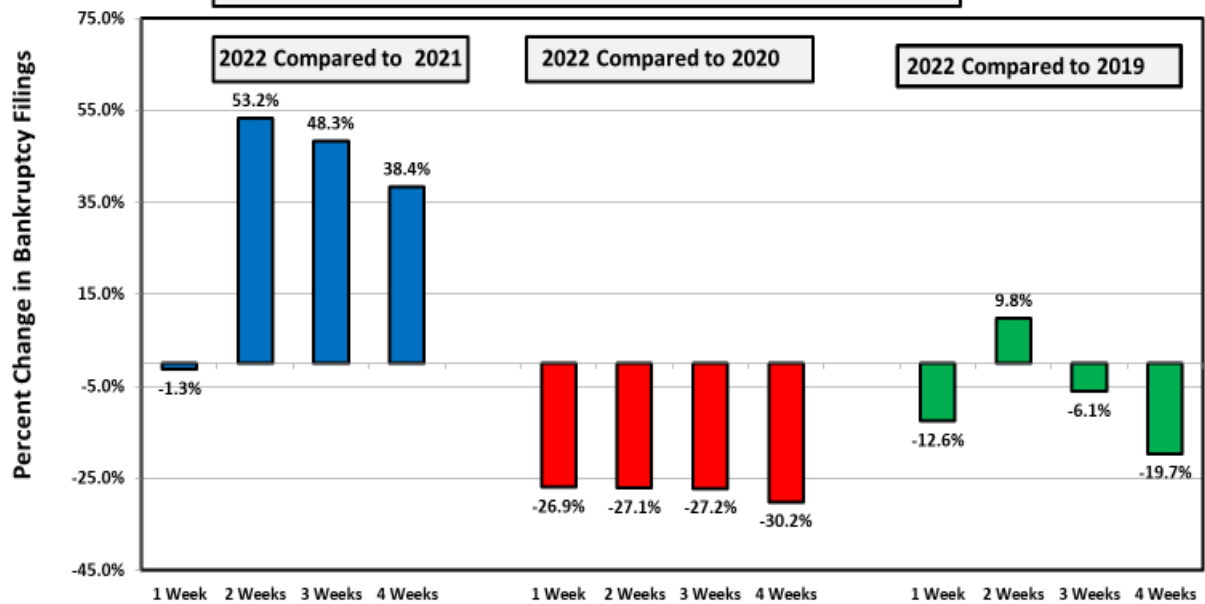
Percent Change From 2021, 2020, and 2019



Week Ending
August 28

Chapter 11 Filing Trends

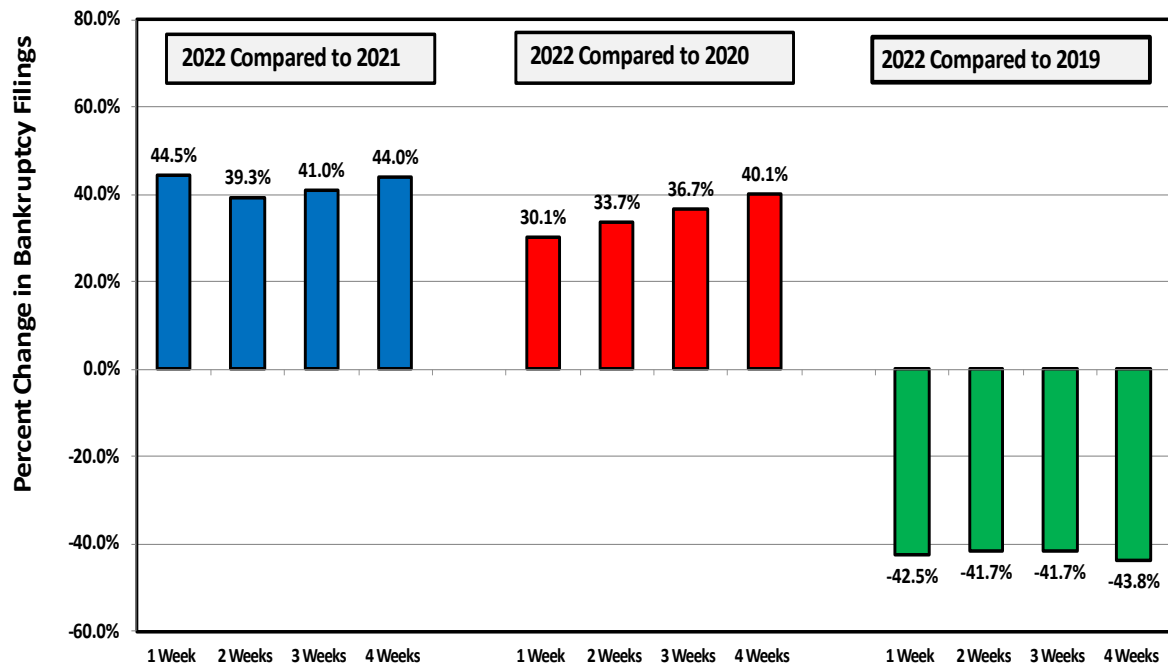
Percent Change From 2021, 2020, and 2019



Week Ending
August 28

Chapter 13 Filing Trends

Percent Change From 2021, 2020, and 2019



Chapter 11 Cases

The 97 chapter 11 cases filed last week were comparable to the total for the same week last year and in 2019, but were well below the volume filed during the same week in 2020.

There were four notable chapter 11 filings last week, all of which were filed in the District of Delaware. Three of the cases were filed on Aug. 23, including regional air carrier Express Jets Airlines, lighting components company Lumisys Holding Co., and x-ray imaging products supplier Carestream Health Inc., along with seven related entities. The final large Delaware filing of the week was made on Aug. 28 by e-commerce company Packable Holdings Inc., along with five related entities.

Types of Chapter 11 Cases Filed				
	August 22 - 28			
	2022	2021	2020	2019
Total Filed	76	77	104	87
Solo Cases	52	45	67	63
Parent Cases	4	8	7	6
Child Cases	20	24	30	18
<i>Filed By Individuals</i>	12	18	21	20
Subchapter V Cases	27	23	38	N/A

Student Loan Debt Held by Bankruptcy Debtors

Last week, President Biden announced that his administration would cancel up to \$10,000 in federal student loan debt for most borrowers, and up to \$20,000 for Pell grant recipients. Student loan debt is almost never dischargeable in bankruptcy. Nevertheless, a substantial number of debtors have student loan debt, in addition to the other debts that they seek to discharge in a bankruptcy case.

Data on debtors with student loan debt is included in the bankruptcy petitions (line 9d on Form B 106Sum), but it is not easily accessible because it is not aggregated and made public. However, the Federal Judicial Center's Integrated Data Base contains case-by-case records for all bankruptcy cases. Based on a sample of more than 30,000 chapter 7 and 13 nonbusiness cases filed between October 2021 and March 2022, approximately 25.9 percent of chapter 7 debtors and 27.2 percent of chapter 13 debtors appeared to have had student loan debt. Of these debtors, about 26 percent owed \$10,000 or less, nearly all of which will now be forgiven. At the other end, nearly of one-third of debtors with student loan debt owed more than \$50,000, so the forgiveness program will provide them with relatively little relief.

I don't think the proposed loan forgiveness will have much of an effect on bankruptcy filings. The \$10,000 relief for most prospective debtors with student loan debt is certainly welcome and it might temporarily delay their filing for bankruptcy, but it would not be enough to prevent it entirely.

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