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WESTERN DISTRICT OF WASHINGTON**

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## NEWS RELEASE

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### **Bankruptcy Filings Hit New Record in 2005**

Bankruptcy cases filed in Western Washington grew 22.1 percent for the calendar year ending December 31, 2005, rising to the highest number of filings ever recorded. Bankruptcy cases totaled 35,360 according to data released today by the Office of the Clerk. The previous record was 30,083 cases filed in 2003. The large number of filings in 2005 was due to the many individuals who filed for bankruptcy before October 17, 2005, the implementation date of the Bankruptcy Abuse Prevention and Consumer Protection Act. The significant increase in filings in Western Washington is consistent with a significant increase in bankruptcy cases filed nationally.

#### **Business and Non-Business Filings**

Business filings in CY 2005 totaled 505, up 17.4 percent from the 430 cases filed in CY 2004. Non-business or personal bankruptcies rose 22.2 percent, totaling 34,855 in CY 2005.

#### **Business and Non-Business Filings**

Years Ended December 31, 2001-2005

<u>CY</u>	<u>Business</u>	<u>Non-Business</u>	<u>TOTAL</u>
<b>2005</b>	<b>505</b>	<b>34,855</b>	<b>35,360</b>
2004	430	28,529	28,959
2003	479	29,604	30,083
2002	459	28,421	28,880
2001	311	26,676	26,987

#### **Filings Under Chapters 7, 11, 12, 13 and 15**

In CY 2005, filings under Chapters 7 and 12 of the Bankruptcy Code rose, while filings under Chapters 11 and 13 fell. One case was filed under a new chapter of the Code, Chapter 15.

- Chapter 7 is designed to allow individuals to keep certain exempt property while the remaining property is sold to repay creditors. Chapter 7 filings in CY 2005 totaled 30,165, up 28.9 percent from CY 2004 totals.
- Chapter 11 filings totaled 104 in CY 2005, down 2.8 percent from the 107 Chapter 11 bankruptcies filed in CY 2004. This is the fewest number of chapter 11 cases filed in Western

**Bankruptcy Filings  
by Chapter of the Bankruptcy Code  
Years Ended December 31, 2001-2005**

<u>Year</u>	<u>Chapter</u>				
	<u>7</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>15</u>
<b>2005</b>	<b>30,165</b>	<b>104</b>	<b>5</b>	<b>5,085</b>	<b>1</b>
2004	23,402	107	0	5,450	
2003	24,398	152	0	5,533	
2002	23,397	182	2	5,299	
2001	21,850	157	1	4,979	

Washington since before 1980. Chapter 11 provides for a business to continue operations while formulating a plan to repay its creditors.

- Under Chapter 13 bankruptcy, creditors may be repaid in installments, in full or in part, over a 3-5 year period. Filings under Chapter 13 in CY 2005 fell 6.7 percent from 5,450 filings in CY 2004 to 5,085 in CY 2005.
- Chapter 12 is designed to meet the needs of financially distressed family farmers. Historically, there have been very few Chapter 12 cases filed in Western Washington. There were 5 Chapter 12 cases filed in CY 2005, as compared to none filed in CY 2003 and CY 2004.
- Chapter 15 is a new chapter of the Bankruptcy Code and was enacted as part of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. It replaces former section 304, which previously governed the procedure for cases filed ancillary to foreign proceedings.

The Western Washington bankruptcy court ranks 15th largest in the country (of 94 bankruptcy courts) as measured by total annual filings. The court employs five full-time judges and 91 support staff. In the last five years, staffing has declined by 8.6% while filings have risen 31%. In calendar year 2005, the overall number of court staff declined by five full-time positions due to retirements and attrition.

For more information on bankruptcy, or for information on how to access images of case documents via the Internet, please visit the court's website at [www.wawb.uscourts.gov](http://www.wawb.uscourts.gov). A breakdown of ten years of data on bankruptcy filings in Western Washington follows.

Annual Bankruptcy Filings by Chapter  
Years Ended December 31, 1996-2005

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<b><u>2005</u></b>
Chapter 7	18,043	21,005	21,006	18,864	17,665	21,850	23,397	24,398	23,402	<b>30,165</b>
Chapter 11	292	265	189	159	172	157	182	152	107	<b>104</b>
Chapter 12	3	5	4	0	6	1	2	0	0	<b>5</b>
Chapter 13	4,557	5,032	4,371	4,806	4,922	4,979	5,299	5,533	5,450	<b>5,085</b>
Chapter 15										<b>1</b>
TOTAL	22,895	26,307	25,570	23,829	22,765	26,987	28,880	30,083	28,959	<b>35,360</b>

Business and Non-Business Filings  
Years Ended December 31, 1996-2005

<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>	<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>
<b>2005</b>	<b>505</b>	<b>34,855</b>	2000	320	22,445
2004	430	28,529	1999	312	23,517
2003	479	29,604	1998	537	25,033
2002	459	28,421	1997	866	25,441
2001	311	26,676	1996	880	22,015

