

**OFFICE OF THE CLERK
UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON**

MARK L. HATCHER
Clerk

SEATTLE OFFICE
United States Courthouse
700 Stewart Street
Rm. 6301
Seattle, WA 98101
(206) 370-5200

TACOMA OFFICE
Union Station
1717 Pacific Ave., #2100
Tacoma, WA 98402-3233
(253) 882-3900

NEWS RELEASE

January 18, 2008

Contact: Susan Shipley

Bankruptcy Filings Increase in 2007

Bankruptcy cases filed in Western Washington increased 33.4 percent for the calendar year (CY) ending December 31, 2007. Bankruptcy cases totaled 11,234 according to data released today by the Office of the Clerk. The increase in filings in 2007 followed a dramatic decline in filings in 2006, which was the year immediately following sweeping changes in the bankruptcy laws which took effect on October 17, 2005, with the implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act.

Business and Non-Business Filings

Business filings in CY 2007 totaled 324, up 14.8 percent from the 282 cases filed in CY 2006. Non-business or personal bankruptcies increased 33.4 percent, totaling 10,910 in CY 2007.

Business and Non-Business Filings

Years Ended December 31, 2003-2007

<u>CY</u>	<u>Business</u>	<u>Non-Business</u>	<u>TOTAL</u>
2007	324	10,910	11,234
2006	282	8,177	8,459
2005	505	34,855	35,360
2004	430	28,529	28,959
2003	479	29,604	30,083

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

In CY 2007, filings under Chapters 7 and 13 of the Bankruptcy Code increased. Chapter 12 filings were the same number as in CY 2006; and Chapter 11 filings decreased by six total cases. There were no new cases filed under 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 2007 totaled 7,665, up 32.3 percent from CY 2006 totals.

<u>Year</u>	<u>Chapter</u>				
	<u>7</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>15</u>
2007	7,665	77	3	3,489	0
2006	5,791	83	3	2,581	1
2005	30,165	104	5	5,085	1
2004	23,402	107	0	5,450	
2003	24,398	152	0	5,533	

- Chapter 11 filings totaled 77 in CY 2007, down 7.2 percent from the 83 Chapter 11 bankruptcies filed in CY 2006. This is the fewest number of chapter 11 cases filed in Western 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 2007 increased 35.2 percent from 2,581 filings in CY 2006 to 3,489 in CY 2007.
- 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 3 Chapter 12 cases filed in CY 2007, which is the same number filed in CY 2006.
- Chapter 15 is a relatively 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. There were no new cases filed under this chapter in CY 2007.

The Western Washington bankruptcy court ranks among the top 15 largest in the country (of 94 bankruptcy courts) as measured by total annual filings. The court employs five full-time judges and about 90 support staff.

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. A breakdown of ten years of data on bankruptcy filings in Western Washington follows.

Annual Bankruptcy Filings by Chapter
Years Ended December 31, 1998-2007

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Chapter 7	21,006	18,864	17,665	21,850	23,397	24,398	23,402	30,165	5,791	7,665
Chapter 11	189	159	172	157	182	152	107	104	83	77
Chapter 12	4	0	6	1	2	0	0	5	3	3
Chapter 13	4,371	4,806	4,922	4,979	5,299	5,533	5,450	5,085	2,581	3,489
Chapter 15								1	1	0
TOTAL	25,570	23,829	22,765	26,987	28,880	30,083	28,959	35,360	8,459	11,234

Business and Non-Business Filings
Years Ended December 31, 1998-2007

<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>	<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>
2007	324	10,910	2002	459	28,421
2006	282	8,177	2001	311	26,676
2005	505	34,855	2000	320	22,445
2004	430	28,529	1999	312	23,517
2003	479	29,604	1998	537	25,033