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NEWS RELEASE

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Bankruptcy Filings Hit Record High in 2003

Bankruptcy filings in Western Washington rose to a record high for the calendar year ending December 31, 2003. Bankruptcy cases totaled 30,083, up 4.1 percent from the previous record of 28,880 filings in CY 2002, according to data released today by the Office of the Clerk. Bankruptcy filings have reached record high levels each of the past three years. The trend in Western Washington is consistent with the trend in bankruptcy filings nationally.

Business filings in CY 03 totaled 479, up 4.36 percent from the 459 cases filed in CY 02. This represents the most business cases filed in the district in the last five years, but it is only about half of the number filed at the peak in the early 1990s.

The overall growth in bankruptcy filings was due to growth in the number of personal or non-business bankruptcies filed under chapters 7 and 13 of the Bankruptcy

Code. Non-business bankruptcies totaled 29,604 in CY 03. The number of Chapter 7 filings rose 4.28 percent to 24,398 in CY 03, from 23,397 filings in CY 02. Chapter 13 filings rose 4.42 percent to 5,533 in CY 03, from 5,299 in CY 02. Chapter 11 filings fell 16.48 percent to 152 in CY 03, from 182 in CY 02. This is fewest number of chapter 11 cases filed in Western Washington since 1980. There were no Chapter 12 cases filed in CY 03.

Business and Non-Business Filings

Years Ended December 31, 1999-2003

<u>FY</u>	<u>Business</u>	<u>Non-Business</u>	<u>TOTAL</u>
2003	479	29,604	30,083
2002	459	28,421	28,880
2001	311	26,676	26,987
2000	320	22,445	22,765
1999	312	23,517	23,829

Chapter 7 is designed to allow individuals to keep certain exempt property while the remaining property is sold to repay creditors. Under chapter 13 bankruptcy, creditors may be repaid in installments, in full or in part, over a 3 to 5-year period. Chapter 11 provides for a business to continue operations while formulating a plan to repay its creditors. Chapter 12, which expired on January 1, 2004, allows an adjustment of debts for family farmers. (Several bills that would affect the status of chapter 12 are

pending in Congress. On November 25, 2003 the Senate passed S.1920, which would extend chapter 12 until July 1, 2004. Similar legislation is pending in the House of Representatives. Additionally, a bill has been introduced in the Senate to make chapter 12 a permanent feature of the Bankruptcy Code, increase the debt limits for chapter 12 filings, and add family fishermen to those eligible to file for such relief.)

The Western Washington bankruptcy court ranks 14th largest in the country (of 94 bankruptcy courts) as measured by total annual filings. The court employs 5 full-time judges and about 100 support staff, which is the same number of judges and only a modest increase in the number of support staff as in 1994 when filings were less than half of the current total.

For more information on bankruptcy, or for information on how to electronically 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.

Bankruptcy Filings by Chapter of the Bankruptcy Code Years Ended December 31, 1999-2003				
	Chapter			
<u>Year</u>	<u>7</u>	<u>11</u>	<u>12</u>	<u>13</u>
2003	24,398	152	0	5,533
2002	23,397	182	2	5,299
2001	21,850	157	1	4,979
2000	17,665	172	6	4,922
1999	18,864	159	0	4,806

Annual Bankruptcy Filings by Chapter
Years Ended December 31, 1994-2003

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Chapter 7	10,604	12,937	18,043	21,005	21,006	18,864	17,665	21,850	23,397	24,398
Chapter 11	263	253	292	265	189	159	172	157	182	152
Chapter 12	2	2	3	5	4	0	6	1	2	0
Chapter 13	3,220	3,713	4,557	5,032	4,371	4,806	4,922	4,979	5,299	5,533
TOTAL	14,089	16,905	22,895	26,307	25,570	23,829	22,765	26,987	28,880	30,083

Business and Non-Business Filings
Years Ended December 1994-2003

<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>	<u>Year</u>	<u>Business Filings</u>	<u>Non-Business Filings</u>
2003	479	29,604	1998	537	25,033
2002	459	28,421	1997	866	25,441
2001	311	26,676	1996	880	22,015
2000	320	22,445	1995	901	16,004
1999	312	23,517	1994	739	13,350

