



NEWS RELEASE

Administrative Office of the U.S. Courts

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Bankruptcy Filings Down in Fiscal Year 2004

Bankruptcy cases filed in federal courts fell 2.6 percent in fiscal year 2004 according to the Administrative Office of the U.S. Courts. During the 12-month period ending September 30, 2004, 1,618,987 bankruptcies were filed, down from the 1,661,996 bankruptcy cases filed in fiscal year 2003. The federal Judiciary's fiscal year is the 12-month period ending September 30. The bankruptcies reported are for October 1, 2003 – September 30, 2004.

Despite the drop in filings, bankruptcies remain at historic highs, well above the 1.5 million record first set in 2002. Bankruptcy filings first broke one million during the 12-month period ending June 30, 1996. Despite the high caseload, no new bankruptcy judgeships have been created since 1992, when bankruptcy filings for the fiscal year totalled 977,478.

Business and Non-Business Filings

Business bankruptcies fell 3.8 percent to 34,817 in FY 2004, down from 36,183 in FY 2003. Non-business or personal bankruptcies fell 2.6 percent in the same 12-month period, totaling 1,584,170 in FY 2004 and 1,625,813 in FY 2003.

Business and Non-Business Filings Years Ended September 30, 1999-2004

<u>FY</u>	<u>Business</u>	<u>Non-Business</u>	<u>TOTAL</u>
2004	34,817	1,584,170	1,618,987
2003	36,183	1,625,813	1,661,996
2002	39,091	1,508,578	1,547,669
2001	38,490	1,398,864	1,437,354
2000	36,065	1,226,037	1,262,102

Filings Under Chapters 7, 12 and 13 Fall

In FY 2004, filings under Chapters 7, 12 and 13 of the Bankruptcy Code fell. Only Chapter 11 filings rose over FY 2003 totals.

- 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 FY 2004 totaled 1,153,865, down 2 percent from the FY 2003 total of 1,177,292.
- Chapter 12 is designed to meet the needs of financially distressed family farmers. In FY 2004, Chapter 12 filings totaled 238, falling 65.9 percent from the 698 cases filed in FY 03. The low number of filings in FY 2004 was most likely due to the lapse in December 2003 of Chapter 12.
- Under Chapter 13 bankruptcy, creditors may be repaid in installments, in full or in part, over a 3- to 5-year period. Filings under Chapters 13 in FY 2004 fell 4.1 percent from 473,763 filings in FY 2003 to 454,412 filings in FY 2004.

(MORE)

- Chapter 11 filings totaled 10,368 in FY 2004, up 2.2 percent from the 10,144 Chapter 11 bankruptcies filed in FY 2003. Chapter 11 provides for a business to continue operations while formulating a plan to repay its creditors.

Fourth Quarter Filings

The three-month period ending September 30, 2004, was the

Judiciary’s final quarter of FY 2004. Bankruptcy filings in the fourth quarter totaled 396,438.

The number of bankruptcy cases filed during the third quarter of the Judiciary’s 2004 fiscal year (April 1, 2004—June 30, 2004) totaled 421,110. The number of bankruptcies filed during the second quarter of fiscal year 2004 (January 1, 2004-March 31, 2004) was 407,572. Filings for the Judiciary’s first quarter of 2004 (October 1, 2003 -December 31, 2003) totaled 393,348.

For more information on bankruptcy visit the Judiciary’s website at www.uscourts.gov/bankbasic.pdf. Local bankruptcy court rules can be found at www.uscourts.gov/rules/bk-localrules.html. A breakdown of the latest data on bankruptcy filings is attached and also is available on the Judiciary’s website at www.uscourts.gov under Newsroom. Bankruptcy filings over the last 10 years are available at <http://www.uscourts.gov/bnkrpctstats/bankruptcystats.htm>.

Bankruptcy Filings by Chapter of the Bankruptcy Code 12-Month Periods Ending September 30				
	Chapter			
<u>Year</u>	<u>7</u>	<u>11</u>	<u>12</u>	<u>13</u>
2004	1,153,865	10,368	238	454,412
2003	1,177,292	10,144	698	473,763
2002	1,084,336	11,669	322	451,258
2001	1,014,137	10,519	379	412,272
2000	870,805	9,835	551	380,880

Quarterly Filings

<u>PERIOD</u>	<u>FILINGS</u>	<u>PERIOD</u>	<u>FILINGS</u>	<u>PERIOD</u>	<u>FILINGS</u>
SEPT. 30, 2004	396,438	MAR. 31, 2001	366,841	SEPT. 30, 1997	353,515
JUN. 30, 2004	421,110	DEC. 31, 2000	310,169	JUN. 30, 1997	367,168
MAR. 31, 2004	407,572	SEPT. 30, 2000	308,718	MAR. 31, 1997	335,073
DEC. 31, 2003	393,348	JUN. 30, 2000	321,729	DEC. 31, 1996	311,131
SEPT. 30, 2003	412,989	MAR. 31, 2000	312,335	SEPT. 30, 1996	303,309
JUN. 30, 2003	440,257	DEC. 31, 1999	318,634	JUN. 30, 1996	297,162
MAR. 31, 2003	412,968	SEPT. 30, 1999	323,550	MAR. 31, 1996	266,149
DEC. 31, 2002	395,129	JUN. 30, 1999	345,956	DEC. 31, 1995	244,494
SEPT. 30, 2002	401,306	MAR. 31, 1999	330,784	SEPT. 30, 1995	233,593
JUN. 30, 2002	400,686	DEC. 31, 1998	353,108	JUN. 30, 1995	235,302
MAR. 31, 2002	379,012	SEPT. 30, 1998	361,205	MAR. 31, 1995	212,626
DEC. 31, 2001	364,921	JUN. 30, 1998	373,460	DEC. 31, 1994	201,618
SEPT. 30, 2001	359,518	MAR. 31, 1998	354,118	SEPT. 30, 1994	208,187
JUN. 30, 2001	400,394	DEC. 31, 1997	347,685	JUN. 30, 1994	216,213
				MAR. 31, 1994	206,565
				DEC. 31, 1993	206,570

*Because of ongoing corrections to the bankruptcy database, the quarterly data may not total to the most recent annual figures.