



NEWS RELEASE

Administrative Office of the U.S. Courts

December 3, 1999

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Increase in Bankruptcy Filings Slows in Fiscal Year 1999

Bankruptcy filings in the Judiciary's fiscal year 1999, the 12-month period ending September 30, totaled 1,354,376, down 5.7 percent from the 1,436,964 bankruptcy filings for fiscal year 1998, according to data released today by the Administrative Office of the U.S. Courts. This is the first fiscal year since 1994 in which bankruptcy filings have fallen. With minor fluctuations, bankruptcy filings have spiraled upward for nearly a decade.

The dip in FY 99 bankruptcy filings was due to an 18 percent drop in business filings and a 5.3 percent drop in non-business or personal filings. Most bankruptcy filings are non-business. In 1989, non-business filings comprised 90 percent of total bankruptcy filings. In 1999, they made up over 97 percent of total filings.

In fiscal year 1999, total Chapter 7 filings, the largest bankruptcy chapter category, fell 6.5 percent to 959,291. The next largest category, Chapter 13, fell 4 percent to 385,262 in FY99. Chapter 12 filings also fell to 811 in 1999 from 879 in 1998. The only chapter filings to increase were Chapter 11 filings, which rose 2.5 percent from 8,765 in 1998 to 8,982 in 1999.

The number of filings also fell in the Judiciary's final quarter of 1999, the three month period ending September 30. Bankruptcy filings for the final quarter were 323,550, down 6.5 percent from 345,956 in the third quarter. This drop may be due to the seasonal nature of bankruptcy filings; filings in the final quarter of the fiscal year are typically lower than the third quarter totals.

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 install-

Business and Non-Business Filings FY 1993-99

<u>FY</u>	<u>Business</u>	<u>Non-Business</u>	<u>TOTAL</u>
1999	38,625	1,315,751	1,354,376
1998	47,125	1,389,839	1,436,964
1997	54,252	1,313,112	1,367,364
1996	53,520	1,058,444	1,111,964
1995	51,042	832,415	883,457
1994	54,425	783,372	837,797
1993	64,857	832,374	897,231

(MORE)

**Total Bankruptcy Filings by
Chapter of the Bankruptcy Code
12-Month Periods Ending September 30**

<u>Year</u>	<u>Chapter</u>			
	<u>7</u>	<u>11</u>	<u>12</u>	<u>13</u>
1999	959,291	8,982	811	385,262
1998	1,026,134	8,765	879	401,151
1997	958,045	11,221	966	397,097
1996	761,652	12,554	1,096	336,615
1995	598,250	12,639	883	271,650

ments, 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 is designed to meet the needs of financially distressed family farmers.

A breakdown of the latest data on bankruptcy filings follows.

**Business and Non-business Bankruptcy Cases Filed, by Chapter
During the 12-Month Period Ending September 30, 1999**

Total Filings	Chapter 7	Chapter 11	Chapter 12	Chapter 13
1,354,376	959,291	8,982	811	385,262
Total Business	Chapter 7	Chapter 11	Chapter 12	Chapter 13
38,625	23,499	8,238	811	6,047
Total Non-Business	Chapter 7	Chapter 11		Chapter 13
1,315,751	935,792	744		379,215

**Quarterly Bankruptcy Filings
3-Month Period**

Ending	Total Filings	Ending	Total Filings	Ending	Total Filings
SEPT. 30, 1999	323,550	DEC. 31, 1995	244,494	MAR. 31, 1992	252,733
JUN. 30, 1999	345,956	SEPT. 30, 1995	233,593	DEC. 31, 1991	234,383
MAR. 31, 1999	330,784	JUN. 30, 1995	235,302	SEPT. 30, 1991	231,743
DEC. 31, 1998	353,108	MAR. 31, 1995	212,626	JUN. 30, 1991	246,496
SEPT. 30, 1998	361,205	DEC. 31, 1994	201,618	MAR. 31, 1991	231,017
JUN. 30, 1998	373,460	SEPT. 30, 1994	208,187	DEC. 31, 1990	209,798
MAR. 31, 1998	354,118	JUN. 30, 1994	216,213	SEPT. 30, 1990	192,555
DEC. 31, 1997	347,685	MAR. 31, 1994	206,565		
SEPT. 30, 1997	353,515	DEC. 31, 1993	206,570		
JUN. 30, 1997	367,168	SEPT. 30, 1993	215,498		
MAR. 31, 1997	335,073	JUN. 30, 1993	229,406		
DEC. 31, 1996	311,131	MAR. 31, 1993	222,694		
SEPT. 30, 1996	303,309	DEC. 31, 1992	228,562		
JUN. 30, 1996	297,162	SEPT. 30, 1992	236,810		
MAR. 31, 1996	266,149	JUN. 30, 1992	250,622		

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