



AMERICAN
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INSTITUTE

News Release

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FEBRUARY CONSUMER BANKRUPTCY FILINGS UP 14 PERCENT OVER LAST YEAR

March 2, 2010, Alexandria, Va.— The 111,693 consumer bankruptcies filed in February represented a 14 percent increase nationwide over the 98,344 filings recorded in February 2009, according to the American Bankruptcy Institute (ABI), relying on data from the National Bankruptcy Research Center (NBKRC). NBKRC's data also showed that the February 2010 consumer filings represented a 9 percent increase over the 102,254 consumer filings recorded in January 2010. Chapter 13 filings constituted 27 percent of all consumer cases in February, representing a 3 percent decrease from January.

“While Congress and the Obama administration continue to consider measures to reduce high unemployment and mortgage burdens, families with increasing debt loads have little choice but to continue to turn to bankruptcy for financial relief,” said ABI Executive Director **Samuel J. Gerdano**. “Consumer filings this year will likely surpass 1.5 million filings, or the same number of annual filings averaged in the years leading up to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.”

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ABI is the largest multi-disciplinary, nonpartisan organization dedicated to research and education on matters related to insolvency. ABI was founded in 1982 to provide Congress and the public with unbiased analysis of bankruptcy issues. The ABI membership includes more than 12,400 attorneys, accountants, bankers, judges, professors, lenders, turnaround specialists and other bankruptcy professionals, providing a forum for the exchange of ideas and information. For additional information on ABI, visit www.abiworld.org. For additional conference information, visit <http://www.abiworld.org/conferences.html>.

NBKRC is an online research center that offers subscribers access to up-to-date research and statistics on bankruptcy filings. The database contains complete information dating back to 1995. For more information on NBKRC, please visit <http://www.nbkrc.com>.

**Definitions from Bankruptcy Overview: Issues, Law and Policy, by the American Bankruptcy Institute.*

Chapter 7 of the Bankruptcy Code is available to both individual and business debtors. Its purpose is to achieve a fair distribution to creditors of the debtor's available non-exempt property. Unsecured debts not reaffirmed are discharged, providing a fresh financial start.

Chapter 11 of the Bankruptcy Code is available for both business and consumer debtors. Its purpose is to rehabilitate a business as a going concern or reorganize an individual's finances through a court-approved reorganization plan.

Chapter 12 of the Bankruptcy Code is designed to give special debt relief to a family farmer with regular income from farming.

Chapter 13 of the Bankruptcy Code is available for an individual with regular income whose debts do not exceed specific amounts; it is typically used to budget some of the debtor's future earnings under a plan through which unsecured creditors are paid in whole or in part.