



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Third Quarter Bankruptcy Numbers in Albany Decline

According to the Albany office of the US Bankruptcy court, third-quarter bankruptcy filings in the greater Capital Region fell by 18% year-on-year from July to September. These are levels not seen since 2007. Year to-date filings are also by about 16% from 2010 and 2009. Furthermore, the number of jobs in the area has not significantly increased, so the lower number of bankruptcy filings has bucked the trend, given the ongoing economic recession.

Notably, new Chapter 13 filings have significantly declined, most probably due to the often long drawn foreclosure processes. Chapter 13 bankruptcy is a scheduled debt repayment plan governed by the bankruptcy court. The bankruptcy court now makes it obligatory for banks to hold settlement negotiations with homeowners to work out a way to avoid foreclosure. But some attorneys believe these meetings merely postpone the inevitable, putting Chapter 13 further out of reach for those who need help.

Chapter 13 allows a homeowner to keep his or her property as long as the debtor keeps to a repayment schedule for the debt. But if they are too far off the schedule, the problem becomes harder to solve. One lawyer said, "(Settlement negotiations between banks and debtors) never seem to work; they just delay the foreclosure process. People used to come to me when they were eight months behind on their mortgage. Now they are 30 months behind."

<http://tampabankruptcy.pro/blog/>

Many attorneys believe there will be a wave of new bankruptcies when foreclosures now idling in the system are released.

Nationally, the number of US consumer bankruptcy filings for the year to date is at about 10% below 2010. According the American Bankruptcy Institute, in September alone, consumer bankruptcies dropped 17% nationwide. If the trend continues, we should see less bankruptcy filings in 2011 than in 2010.

Samuel Gerdano, executive director of the Institute said, "The trend of declining filings has been consistent with consumers continuing to reign in their spending, household debt and an overall pull-back in consumer credit. Total consumer filings for 2011 will be less than 2010."

If you or your business are struggling financially, consider filing for bankruptcy protection. It could give you the new financial start in life you yearn for. Call us at (813) 200 4133 for a free consultation.