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Layton Mayor Declares Bankruptcy as National Rate Rises

The national bankruptcy rate rose 14% for the first 6 months of 2010, the highest since landmark legislation was enforced to curb abuse in bankruptcy cases in 2005. According to the American Bankruptcy Institute (ABI), the number of filings rose to 770,117, the highest year-on-year since the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) came into being aimed at reducing the number of Chapter 7 bankruptcies where debts can be wiped out without paying them.

However, month-on-month, the June statistics indicate a glimmer of hope. It is the third consecutive month where the bankruptcy rate has fallen. The number of bankruptcy filings in June came up to 127,000, down more than 7% compared to May. But this number is higher compared to June 2009 by more than 8%, according to the National Bankruptcy Research Center. The ABI expects another 1.6 million individuals and companies to file for bankruptcy before the year is out, according to its Executive Director, Samuel J. Gerdano.

Statistics in a report by Professor Ronald Mann of the Columbia Law School in Alaska show that among the states, Nevada recorded the highest bankruptcy filing rate of 16,000 filings for each one million households (this is more than double the national average of 6,800 filings per million) whereas South Carolina and Washington D.C. came in the least with less than 40% of the national average. The regions most hard hit by bankruptcies are the South East and South West of the country. While most states have increased in the number of bankruptcy filings, Tennessee and Alabama and some other Southern states have shown lower filings.

Even some people in public office have not been spared. Part-time mayor for Layton, a city of 67,000 residents, filed for bankruptcy in March this year after winning the election to a second term in November 2009. Steve Curtis, mayor of Layton, the largest city in Davis county, Utah lost his job due to downsizing. Curtis said that bankruptcy was something he tried very hard to avoid as it was something he felt was distasteful.

Yet Curtis intends to fulfill his duties as mayor as he had not broken any law and should not have to resign. Curtis added that he was very humbled to receive the support of many residents facing the same experience due to layoffs. He receives an annual salary of \$21,800 and a monthly travel allowance of \$800. In addition, he also receives a small stipend as a director of Wasatch Integrated Waste Management district that encompasses Layton's landfill and burn plant.

No one is exempted from the effects of the economic crisis. It has driven countless people into debt. If you have been drowning in debt, consider bankruptcy as a way out. Many may not realize that bankruptcy actually protects you from your creditors and gives you the chance to discharge your debts. Call us at (813) 200 4133 for a free consultation or visit <http://tampabankruptcy.pro>.

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