



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

June 4, 2010

21% Surge in Tampa Bankruptcies

Here are some grim statistics for the first quarter of 2010. The number of bankruptcy filings in Tampa/Fort Myers division (Polk included) jumped almost 21%. This is mirrored by the eerily similar rise of 21% in bankruptcy cases in the Middle District of Florida (including Orlando and Jacksonville). In fact, the 16,149 bankruptcy cases filed there gave the Middle District bankruptcy court the unenviable record of being the second busiest bankruptcy court in the country, behind only the Central District of California bankruptcy court.

March 2010 was one of the Middle District bankruptcy court's busiest month on record. It was third only behind the two months prior to the time when the bankruptcy laws changed with the passing of the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA). The BAPCPA was supposed to deter individuals from filing for bankruptcy, especially Chapter 7 bankruptcy as a means of coping out of their tax debts.

And from the look of things, there seems no evidence of this trend abating anytime soon.

Experienced bankruptcy lawyers predict that the peak in number of bankruptcies will only come in a year or 18 months' time before the numbers slide. US Bankruptcy Judge Catherine Peek McEwen is handling 6,500 cases in Tampa. The District Chief Judge in Jacksonville had forewarned his judges to anticipate a year of record numbers of bankruptcy filings.

What appears to be affecting consumers in Florida most are the combined effects of the state's 12.2% unemployment, low housing prices and a huge backlog of foreclosure cases. Although banks are starting to lend again at a 'modest' level, the unemployment rate is yet to show a significant drop. Unemployment and bankruptcy both go hand in hand and are usually the last to be overcome in an economic recession. It is not uncommon to find unemployment still rising even after the recession has officially ended. Bankruptcy improvements tend to show even later as it is often a last resort people take for themselves and their businesses.

There has been a wide range of businesses going bankrupt from property developers to retailers. Even professionals and certain franchises have not been spared. Recently, a local Church's Chicken, several Dunkin' Donuts franchisees and an Arby's chain have all filed for bankruptcy.

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

Of those who file for personal bankruptcies, most have problems with paying for their properties. Banks have been criticized for being reluctant to reduce principal amounts in mortgages and slow in revising mortgage terms to help struggling borrowers.