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Asheville North Carolina Bankruptcy Trends

As far as the country goes, it has been four years since one single month showed an improvement year on year. But it has been so for October and December last year. The nation's 90 bankruptcy centers showed the number of bankruptcies in December was 113,000, a reduction of 3% from December of 2009. Likewise the figures for October last year also showed the same pattern.

But it was not so for Asheville. In a worrying trend, the bankruptcy court there listed 83 cases in December, an increase from 29 in the same month in 2009 and 18 in 2008.

In other statistics, there were 1.55 million bankruptcy filings in 2010, up 8% from 2009 and a far slower growth rate than the 32% jump recorded in the year before and the 33% jump from 2008. However, Western North Carolina had 1,515 bankruptcies in 2010 compared to 1,444 total filings in 2009, an increase of 4.9%.

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People in Asheville have been experiencing reduced hours at work, cuts in income, escalating medical bills and failing commercial ventures such as rental properties. These have been the primary factors that precipitated in the rise in the number of bankruptcies.

Thirteen states in the US recorded an annual decline. West Virginia led them all with a 10% decline in the number of bankruptcies. Other states were also located mainly in the South. However, the West coast states, showed ongoing increases in filings, with Hawaii recording a 22% increase, Utah and California each having 19% rises, and Arizona, 18%.

Over the last decade, rates of bankruptcy filings have been capricious.

The highest surge came in 2005 just before Congress imposed legislation making it more difficult to file for bankruptcy due to concerns that some people were abusing the provision in the law and filing for bankruptcy just to escape paying up their debts.

Immediately after the law was put in place, bankruptcy filings fell but started to climb again over the following years. This was probably due to to an expected rebound the 2005 law, and because of the ongoing recession. The number of filings in 2010 matched the tally for 2004 which was one of the highest before 2005.

But some experts are of the opinion that the decline in the national rate of bankruptcy is a good sign. Some states have experienced greater stability than others. In Tennessee for example, the economy appears to

be holding steady. Many of the people who need relief from their debts have already gone through the bankruptcy process.

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