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## More people going bankrupt

Lawyers getting busy again after decline that followed change in law in 2005

By CHERYL CASWELL  
DAILY MAIL STAFF

Bankruptcy filings are up in West Virginia this year over 2007, which reflects a national trend that has a growing number of credit-strapped consumers getting in over their heads.

Jo Proops, clerk of the U.S. Southern District Bankruptcy Court, which includes Charleston, said 1,298 cases filed since Jan. 1 represent an 11 percent increase over the same period last year. "Up until the end of April we were showing a 20 percent increase," Proops said. "So it has slackened off a bit.

"Some months are slower than others for bankruptcy filings," Proops said. "February, March and October are big months. Summer is slower."

In all of West Virginia, 4,492 bankruptcies were filed in 2007. In the first quarter of 2008, there were 1,202 filings. At that rate, the state would finish with 4,808 cases.

The situation in West Virginia is better than in the nation as a whole.

Across the United States, the number of bankruptcies filed during the first quarter of 2008 increased 26.2 percent, to 245,695, over the previous year, government statistics show.

Charleston bankruptcy lawyer William Pepper saw a dramatic drop in cases after Congress approved the Bankruptcy Abuse Prevention and Consumer Protection Act in late 2005.

That made it tough for people in desperate financial condition to turn themselves on the mercy of the court. But that trend is changing.

"For a while I was the Maytag man," Pepper said, referring to a dip in state bankruptcy filings from a record high of 17,757 in 2005 to just over 3,000 in 2006.

For Pepper, one of the state's busiest bankruptcy attorneys, the overall upward trend means the days of dwindling clients are behind him for now.

"I cleaned out the office," he said of the two dry years. "We cleaned out the back closet. Now filings are dramatically up, maybe ten times what they were in the fall of 2005. We seem to be increasingly busy and I'd be surprised if there aren't 7,000 or 8,000 cases filed in the state this year.

"Three days a week I see people every half hour from 10 a.m. to 5 p.m.," he said. "And an awful lot of them end up filing."

The reason is rampant, credit-driven consumerism, Pepper said.

"It's the consumer-driven nature of our country," he said. "Buying all the things we want to buy. Our parents would shudder to see how we live now.

"People are having problems associated with real estate and mortgages," he said. "Many have severe problems with home equity loans. They took out a second mortgage to pay off credit cards and now they have two house payments and they can't afford even one."

## Lawyer says people can't handle debt

■ Lawyer  
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"I've got a couple now with an income over \$100,000," Pepper said. "Everybody lives right on the edge and when something goes haywire — divorce, illness, a kid in college — all of a sudden they are broke."

Another couple that sought Pepper's help commutes daily from another county to work at Charleston Area Medical Center. Increasing gas prices finally threw their budget over the edge, he said.

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