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BANKRUPTCY
INSTITUTE

Rocky Mountain Bankruptcy Conference

Economic Outlook

Hon. Kevin R. Anderson

U.S. Bankruptcy Court (D. Utah) | Salt Lake City

Charvi Gupta

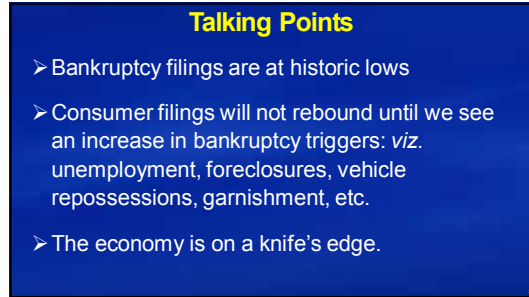
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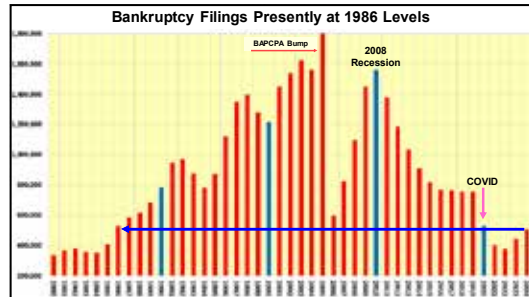
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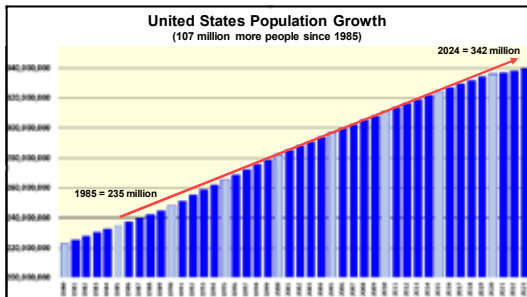
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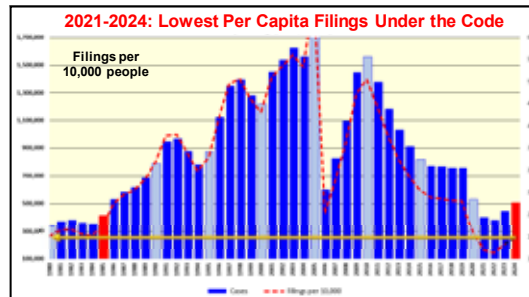
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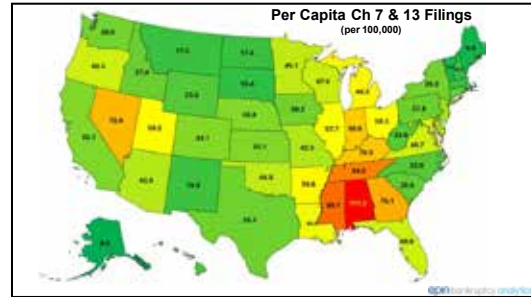
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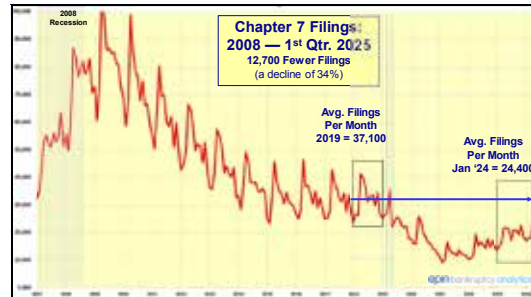
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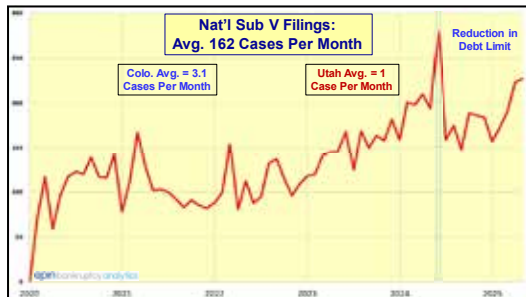
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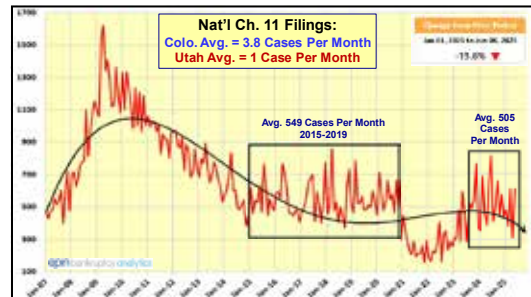
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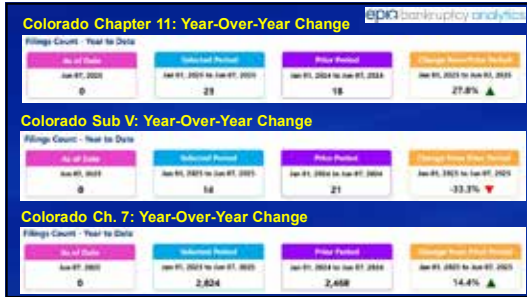
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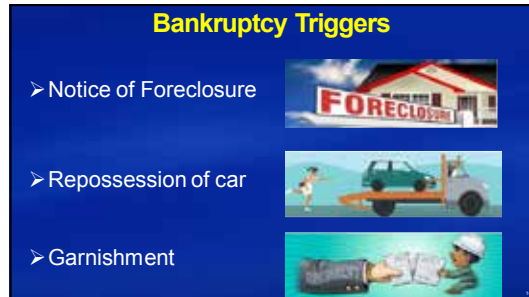
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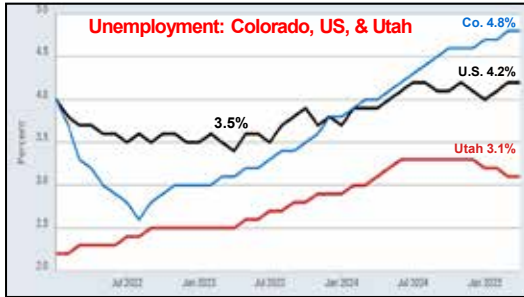
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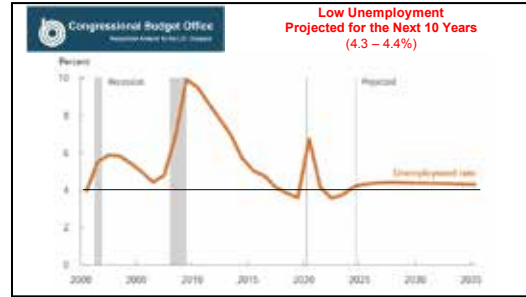


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If Unemployment is at Pre-Pandemic Levels, Why are Bankruptcy Filings so Much Lower?

- High home equity allows consumers to borrow their way out of trouble?
- Bankruptcy triggers not being pulled (*foreclosure; repossession, garnishment*)
- Diminishment of bankruptcy as a considered option for a fresh start?

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Unemployment Take-a-Ways

- Unemployment rate is low (*reduces bankruptcy filings; contributes to inflation; keeps interest rates high*).
- Unemployment rate has decoupled from consumer filing rate.
- Low unemployment projected for next 10 years.
- Is this the New Norm?

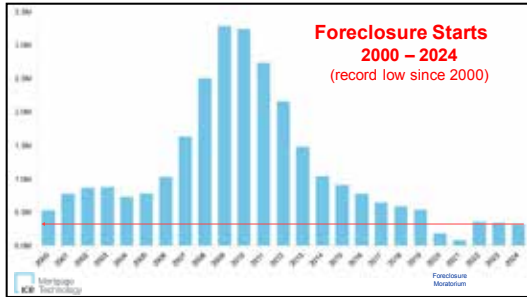
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Impact of Foreclosures on Bankruptcy Filings

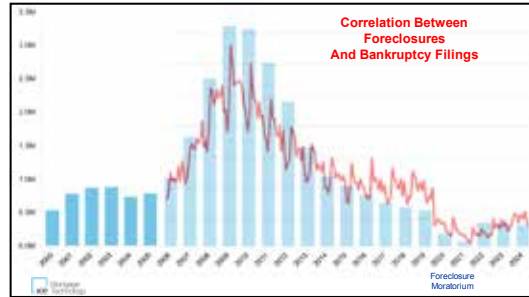
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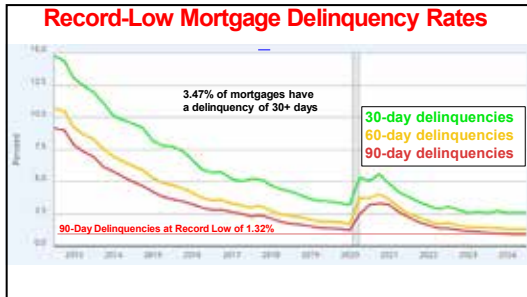
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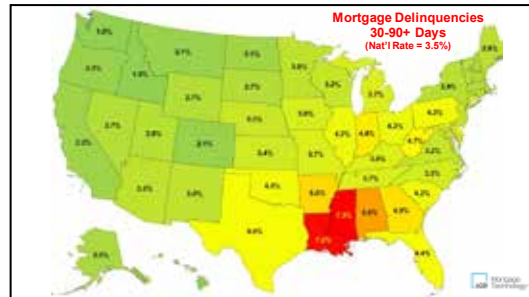
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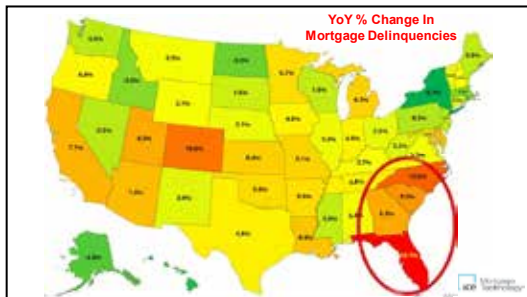
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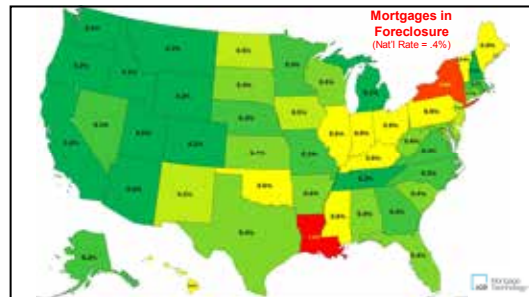
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Why The Decline in Foreclosures?

- Mortgage modifications, Reg X, loss mitigation, forbearance, etc.
- Low Unemployment.
- Significant home equity.
- Is this the New Norm?



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Many Consumers Are Flush With Home Equity



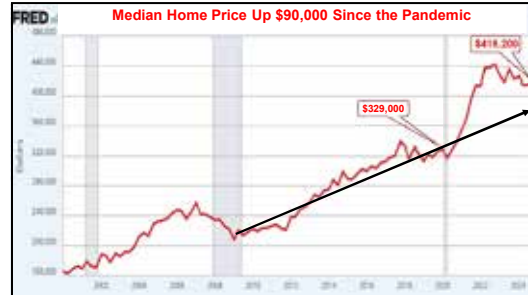
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Record Home Prices (even when adjusted for inflation)

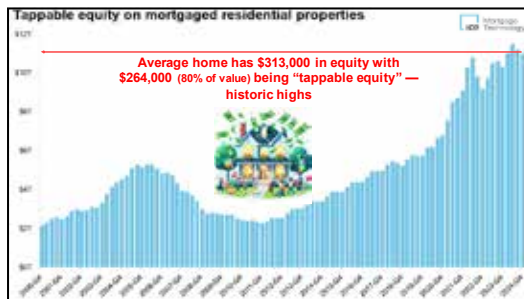


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Median Home Price Up \$90,000 Since the Pandemic



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Home & Mortgage Take-a-Ways

- Historic lows in mortgage delinquencies & foreclosures (due to low unemployment and high home equity).
- Historic highs in home prices and mortgage payments coupled with high interest rates.
- A recession (as in 2008) or a Black Swan event (like the Pandemic) could cause a sharp decline in home values.

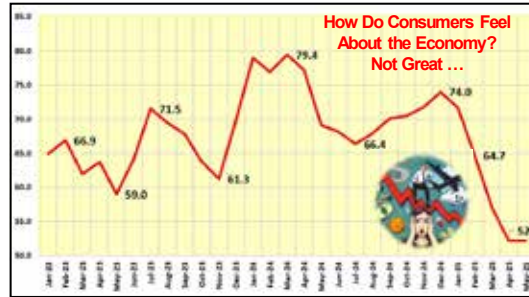
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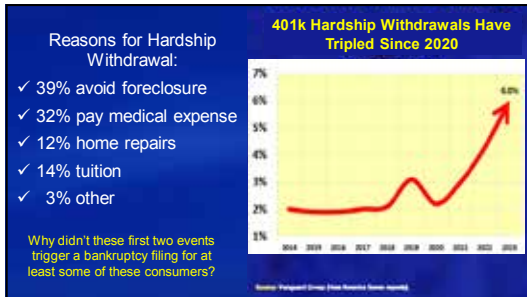
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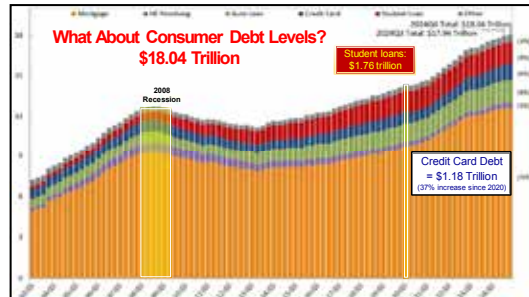
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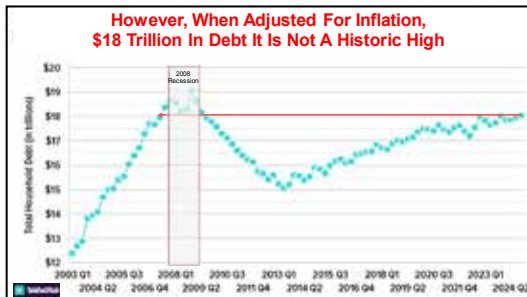
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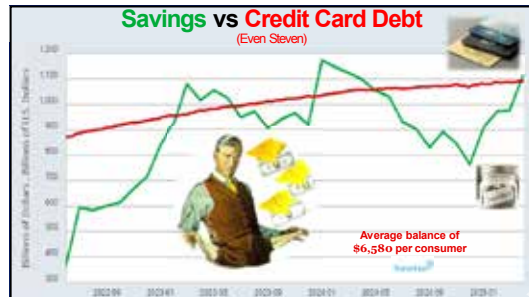
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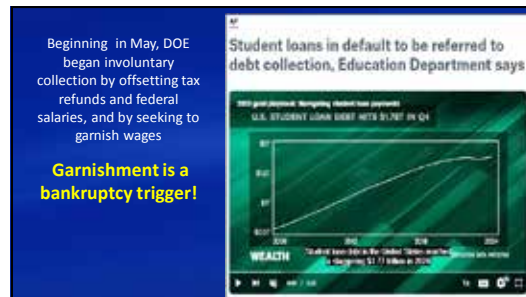
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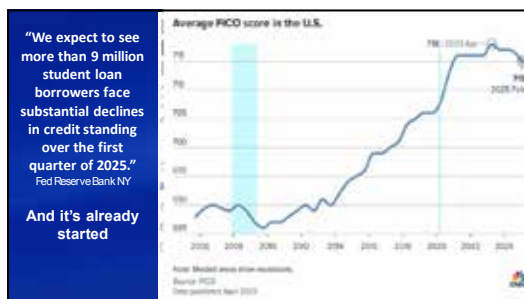
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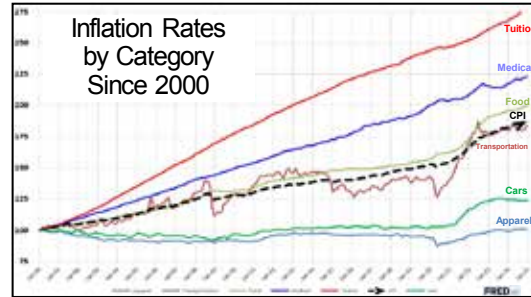
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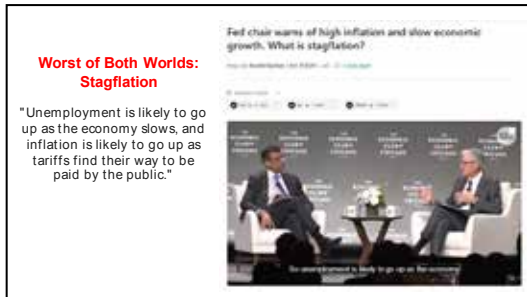
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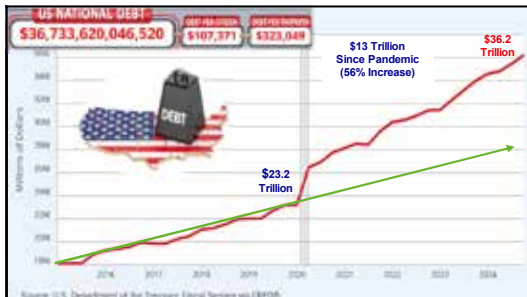
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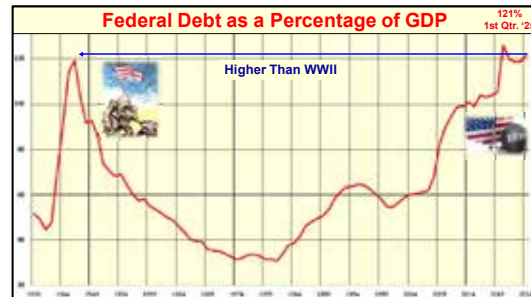
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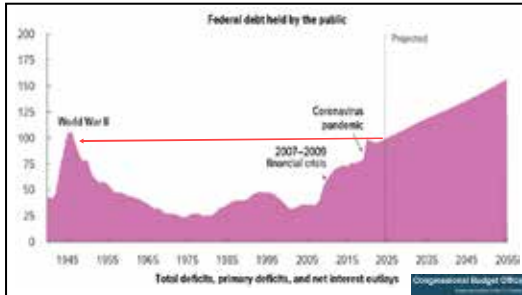
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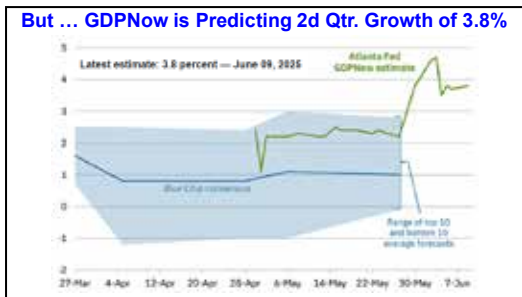
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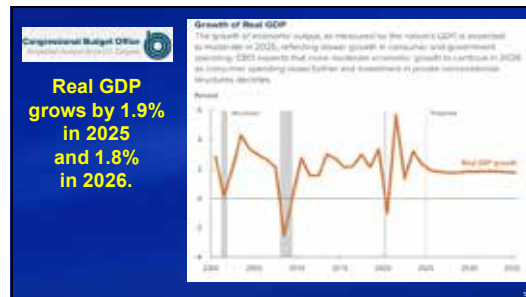
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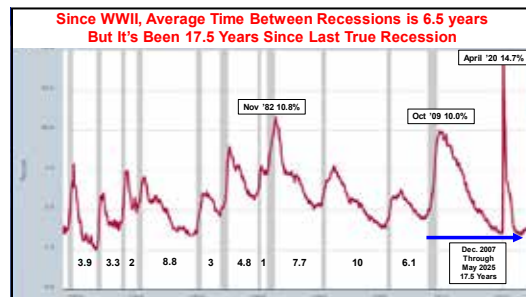
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What to Keep an Eye On

- Unemployment
- Home Values
- Foreclosures & Delinquencies
- Interest Rates
- Gov't Debt & Inflation
- Tariffs ?????

The slide features a blue background with a yellow pyramid logo on the right. The logo has the text "ANNUITY CERTS" at the top and "RECOVERING AMERICANS" at the bottom. The pyramid is illuminated with a yellow light.

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Faculty

Hon. Kevin R. Anderson is a U.S. Bankruptcy Judge for the District of Utah in Salt Lake City, appointed on Sept. 4, 2015. Previously, he served for 17 years as the standing chapter 13 trustee for the District of Utah, administering more than 70,000 chapter 13 cases. Judge Anderson served as president of the National Association of Chapter 13 Trustees (NACTT), and he served on several national committees regarding chapter 13 legislation, rules, forms and policy. He has frequently written and presented on chapter 13 issues, including for the *Norton Bankruptcy Law Advisor*, the *ABI Journal*, the *NACTT Quarterly* and the *NACTT Academy for Consumer Bankruptcy Education*. He also is a Fellow in the American College of Bankruptcy. Prior to his appointment as chapter 13 trustee, Judge Anderson practiced for 13 years as a commercial litigator with an emphasis on civil fraud, real property, and representing chapter 11 and 7 trustees. He also clerked for Hon. David N. Naugle, U.S. Bankruptcy Judge for the Central District of California. Prior to law school, Judge Anderson worked for two years as a data systems specialist testing military and commercial jet engines for General Electric. He received his J.D. *cum laude* from the J. Ruben Clark Law School at Brigham Young University.

Charvi Gupta is a senior director at Getzler Henrich & Associates in New York and has more than 10 years of experience in turnaround, restructuring, M&A and bankruptcy situations. Her expertise includes business plan analysis, performance improvement, cash and vendor management, operations restructuring, workouts, bankruptcy consulting and interim-management engagements. She also works with law firms on forensic and litigation support assignments in bankruptcy cases. Ms. Gupta's experience spans multiple industries, including health care, food and beverage, retail, commercial real estate and hospitality, security alarm, automotive, consumer products and restaurants. She is a board member of the New York Institute of Credit as well as Legal Aid Society's New Leadership Program. In 2023, Ms. Gupta was honored as one of ABI's 40 Under 40 Emerging Leaders in Insolvency Practice. She is a member of the Turnaround Management Association and serves on the NOW committee (NY chapter), and she is a member of IWIRC and serves on its Finance committee. Ms. Gupta received her B.A. in economics and statistics from St. Xavier's College in Mumbai, her M.S. in finance from the University of Rochester and her M.B.A. from Columbia Business School.