



PROPERTY FORECLOSURE EVENTS IN MARYLAND

SECOND QUARTER 2017

JULY 2017

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Property Foreclosure Events in Maryland
SECOND QUARTER 2017

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Property Foreclosure Events in Maryland

SECOND QUARTER 2017

Executive Summary

RealtyTrac data for second quarter 2017 show that property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales and lender purchases of foreclosed properties, fell 6.2 percent to 220,062 events. Compared with the second quarter of 2016, foreclosure events continued to show significant year-over-year declines, falling 21.7 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased from 17.7 in the previous quarter to 16.6 in the current quarter. Nationally, foreclosure activity dropped in 33 states but increased in 18 states as well as the District of Columbia. The top five increases were in Alaska, Iowa, Kentucky, Rhode Island, and the District of Columbia, while the greatest declines were in Arizona, Idaho, Louisiana, South Dakota, and Vermont. Compared with the same quarter in 2016, total foreclosure events decreased in 45 states but increased in the other five states and in the District of Columbia.

In Maryland foreclosure events fell 8.0 percent from the first quarter of 2017 to 7,775 events. Compared to the same quarter last year, Maryland's foreclosure activity dropped 28.4 percent. The resumption in foreclosure declines in the second quarter 2017 resumes the trend of quarterly declines that had occurred throughout 2016, but were interrupted with a slight jump in the first quarter of this year (Exhibits 1 and 2).

New foreclosure filings in Maryland grew 18.8 percent to 3,424 events in the second quarter but fell 16.4 percent decline compared with the second quarter 2016 levels. This continues the trend of year over year declines despite resurgence from the previous quarter. Foreclosure sales continued to fall both quarterly and annually, dropping 15.8 from the prior quarter and 35.4 percent from the first quarter 2017. Lender purchases similarly fell by 22.4 percent from the first quarter of 2017, following a 98.6 jump in the fourth quarter of 2016. Compared to the second quarter 2016, purchases experienced a 32.3 percent drop.

Maryland's foreclosure rate returned near fourth quarter 2016 levels, falling from 35.2 in the first quarter to 32.4 foreclosures per 10,000 households in the second quarter of 2017. Maryland's ranking remained among the top five states with the highest foreclosure rates nationwide, along with Connecticut, Delaware, Illinois, and New Jersey. The State's foreclosure rate was 95.5 percent above the U.S. rate of 16.6 in the second quarter.

Among the neighboring states, Delaware remained unchanged at the 2nd highest in the current quarter. Pennsylvania's ranking improved, falling from the 10th highest foreclosure rate to the 16th highest. Virginia's ranking continued to deteriorate, increasing from 23rd highest during the first quarter of 2017 to 22nd highest in the current quarter.

RealtyTrac's methodology reports total number of filings in these stages of foreclosure. As a result, the sum of these stages of foreclosure during a quarter may exceed the actual number of foreclosed properties as properties are moved from one stage of the process to the other during the quarter. To eliminate multiple counting of foreclosure events, total number of foreclosures in this report represents the number of unique properties only.

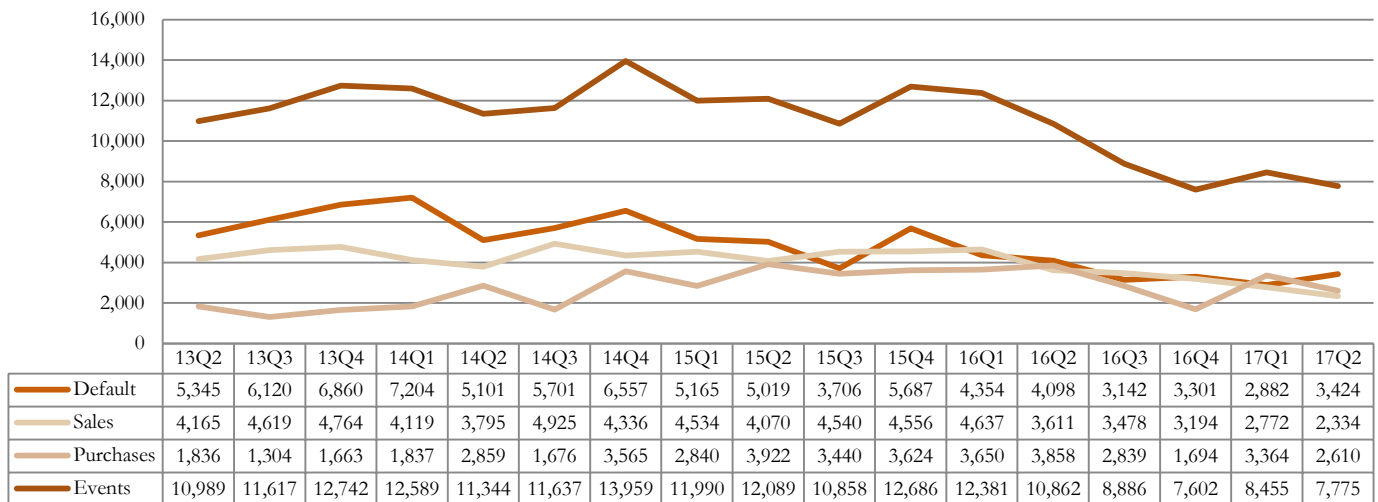
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
SECOND QUARTER 2017

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	3,424	2,334	2,610	7,775
Change (Last Quarter)	18.8%	-15.8%	-22.4%	-8.0%
Change (Last Year)	-16.4%	-35.4%	-32.3%	-28.4%
<i>U.S.</i>				
Number of Events	75,172	79,004	78,556	220,062
Change (Last Quarter)	1.1%	-5.0%	-13.3%	-6.2%
Change (Last Year)	-12.5%	-29.7%	-19.8%	-21.7%

The sum of the three stages of foreclosure may exceed the number of properties. The last column in this table represent the number of unique property foreclosures, hence multiple counting of the events has been eliminated.

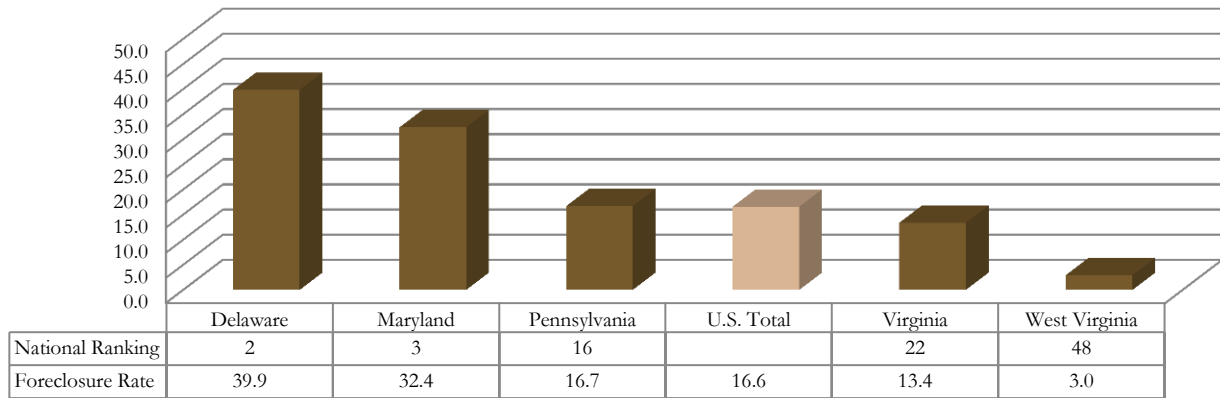
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
SECOND QUARTER 2017



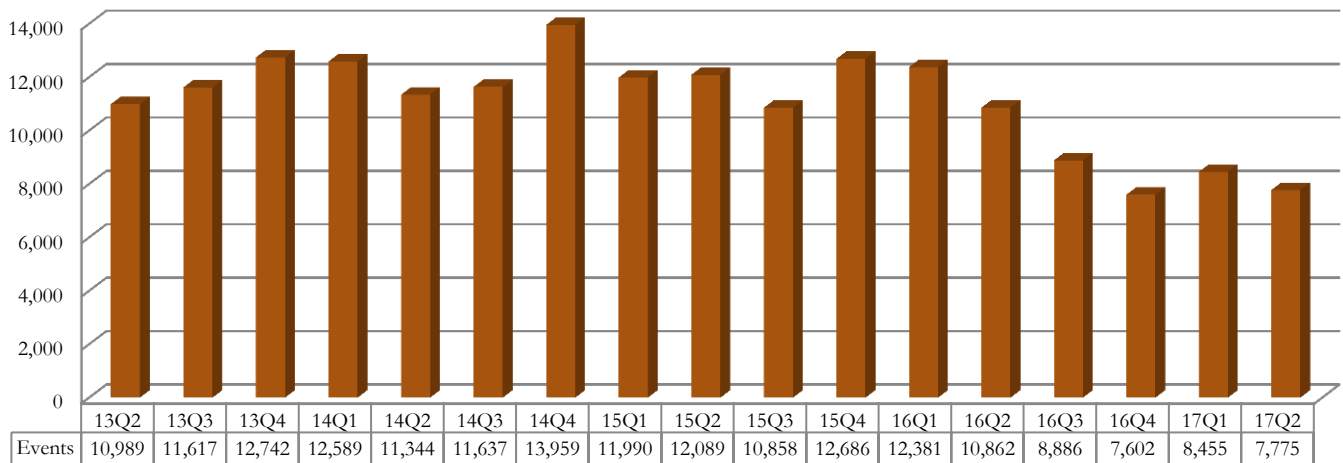
Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 1. FORECLOSURE RATES IN THE REGION: NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
SECOND QUARTER 2017**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 2. TOTAL FORECLOSURE ACTIVITY
SECOND QUARTER 2017**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the second quarter foreclosure events in Maryland jurisdictions. Foreclosure activity declined in all jurisdictions from year ago levels, but increased between 4.2% and 44.3% in five jurisdictions from the first quarter of 2017.

Prince George's County with 1,925 events had the largest share of foreclosures statewide, accounting for 24.8 percent of the total. Foreclosure activity in the county spiked 27.8 percent above the previous quarter, but fell by 11.8 percent from the year prior. Baltimore City experienced a 10.2 percent decline in the second quarter to 1,408 filings, accounting for 18.1 percent of the statewide share. On an annual basis, the City's foreclosures fell 24.1 percent behind prior year levels. Baltimore County with 1,250 foreclosure events, or 16.1 percent of the total, had the third highest share in Maryland. Foreclosures in this county fell 13.5 percent below the preceding quarter, and decreased by 20.1 percent from one year ago.

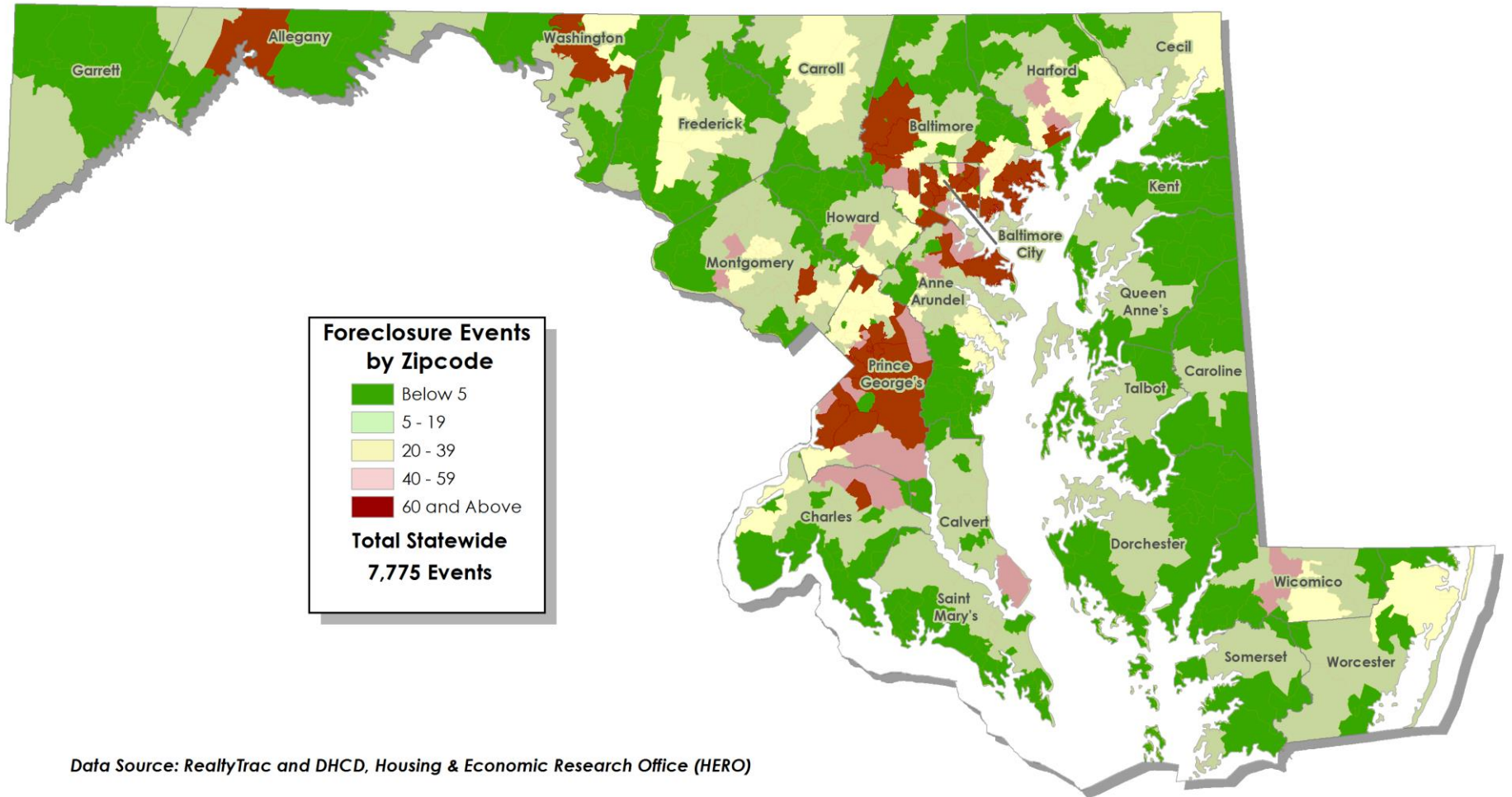
Other counties with a large share of foreclosure events include Anne Arundel (584 events or 7.5 percent), Montgomery (553 events or 7.1 percent of the total), Harford (354 events or 4.6 percent), Charles (275 events or 3.5 percent), Howard (221 events or 2.8 percent), Frederick (196 events or 2.5 percent), and Washington counties (165 events or 2.1 percent). These ten jurisdictions represented 89.1 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
SECOND QUARTER 2017

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2017 Q1	2016 Q2
Allegany	35	26	32	90	1.2%	44.3%	-18.8%
Anne Arundel	292	188	147	584	7.5%	-10.8%	-50.0%
Baltimore	598	333	417	1,250	16.1%	-13.5%	-20.1%
Baltimore City	618	407	511	1,408	18.1%	-10.2%	-24.1%
Calvert	54	32	25	104	1.3%	-29.9%	-42.5%
Caroline	1	10	14	23	0.3%	-38.3%	-67.6%
Carroll	58	48	25	124	1.6%	-25.5%	-32.7%
Cecil	0	34	41	75	1.0%	4.2%	-54.5%
Charles	132	82	88	275	3.5%	-13.0%	-36.3%
Dorchester	0	10	11	22	0.3%	-49.6%	-74.4%
Frederick	103	70	44	196	2.5%	-32.6%	-36.4%
Garrett	16	9	8	30	0.4%	8.7%	-19.4%
Harford	149	97	137	354	4.6%	-23.5%	-18.1%
Howard	114	56	62	221	2.8%	-14.4%	-7.8%
Kent	2	8	2	11	0.1%	-52.4%	-68.4%
Montgomery	245	161	173	553	7.1%	-22.3%	-33.0%
Prince George's	744	599	721	1,925	24.8%	27.8%	-11.8%
Queen Anne's	29	14	11	49	0.6%	-6.7%	-43.8%
Somerset	7	10	13	27	0.3%	-1.5%	-50.4%
St. Mary's	30	33	19	75	1.0%	-20.8%	-59.6%
Talbot	17	5	6	26	0.3%	-25.3%	-61.1%
Washington	91	49	47	165	2.1%	-30.9%	-48.5%
Wicomico	56	35	42	123	1.6%	24.4%	-22.2%
Worcester	35	17	14	66	0.9%	-41.9%	-41.8%
Maryland	3,424	2,334	2,610	7,775	100.0%	-8.0%	-28.4%

*The sum of the three stages of foreclosure may exceed the total. Total number of foreclosures represents unique properties.
Source: RealtyTrac and DHCD, Housing and Economic Research Office

**MAP 1: DISTRIBUTION OF PROPERTY FORECLOSURE EVENTS
SECOND QUARTER 2017**



Data Source: RealtyTrac and DHCD, Housing & Economic Research Office (HERO)

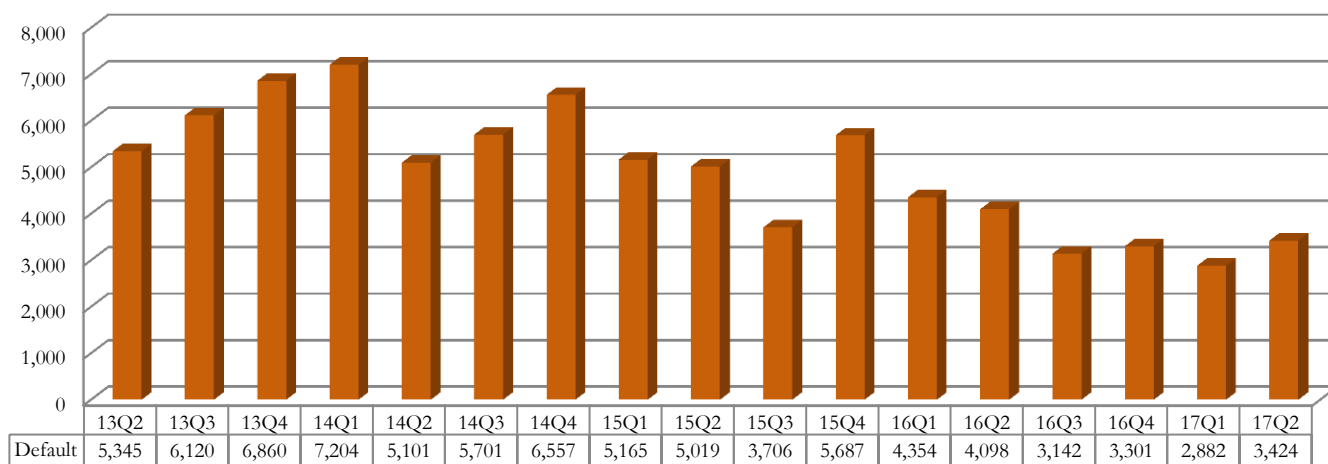
Notices of Mortgage Loan Default

SECOND QUARTER 2017

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) increased to 3,424 filings in the second quarter (Chart 3). Compared to last year, new foreclosure filings continued to decline by an additional 16.4 percent, recording the thirteenth consecutive quarter of year over year declines (Table 2). Most Maryland jurisdictions recorded year over year quarterly declines, with the exception of Howard and Worcester counties, where notices of default increased by 70.1 and 1.3 percent, respectively. Cecil and Dorchester counties recorded zero notices.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 21.7 percent of all filings statewide or 744 notices (Table 2). The county’s default notices spiked 20.4 percent above the previous quarter, but fell 16.6 percent below last year’s volume. Baltimore City, with 618 default notices (18.0 percent of the total), had the second highest number of defaults in Maryland. Similarly, the City’s new defaults grew 29.0 percent above the preceding quarter levels, but fell 17.1 percent below last year levels. Baltimore County, with 598 default notices, or 17.5 percent of the total, had the third highest number of notices. The county’s default notices increased 36.3 percent from the previous quarter, falling 10.3 percent below last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (292 default notices, or 8.5 percent of the total) and Montgomery County had the fifth largest share with 245 notices or a 7.1 percent share. Together, these jurisdictions represented 72.9 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2017

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2017 Q1	2016 Q2
Allegany	35	1.0%	10.0%	-37.1%
Anne Arundel	292	8.5%	22.1%	-11.5%
Baltimore	598	17.5%	36.3%	-10.3%
Baltimore City	618	18.0%	29.0%	-17.1%
Calvert	54	1.6%	12.3%	-11.8%
Caroline	1	0.0%	-34.1%	-98.1%
Carroll	58	1.7%	-7.8%	-17.3%
Cecil	0	0.0%	n/a	-100.0%
Charles	132	3.9%	9.8%	-1.8%
Dorchester	0	0.0%	-94.1%	-99.1%
Frederick	103	3.0%	-10.4%	-0.7%
Garrett	16	0.5%	58.7%	-16.7%
Harford	149	4.3%	18.2%	-7.8%
Howard	114	3.3%	42.1%	70.1%
Kent	2	0.1%	-2.7%	-84.2%
Montgomery	245	7.1%	5.4%	-18.8%
Prince George's	744	21.7%	20.4%	-16.6%
Queen Anne's	29	0.9%	33.5%	-16.7%
Somerset	7	0.2%	-58.9%	-72.8%
St. Mary's	30	0.9%	-37.4%	-63.5%
Talbot	17	0.5%	70.0%	-37.3%
Washington	91	2.7%	5.8%	-11.4%
Wicomico	56	1.6%	5.6%	-6.7%
Worcester	35	1.0%	-11.7%	1.3%
Maryland	3,424	100.0%	18.8%	-16.4%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

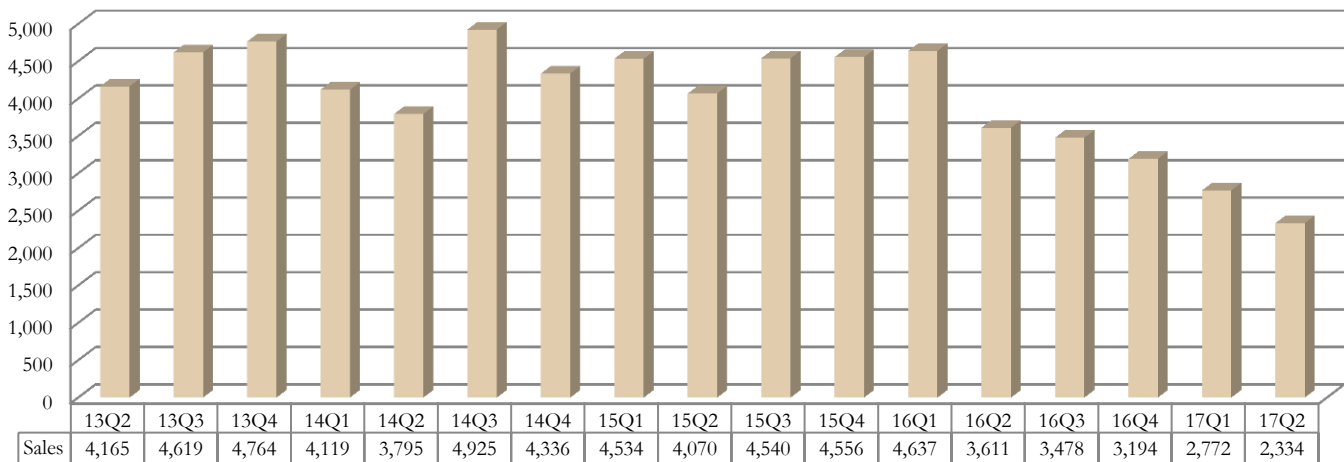
Notices of Foreclosure Sales

SECOND QUARTER 2017

Foreclosure sale or judgment of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) declined 15.8 percent from the prior quarter to 2,334 filings, continuing for the fourth consecutive quarter of decreased sales (Chart 4). Compared with the second quarter 2016, foreclosure sales dropped 35.4 percent. Foreclosure sales fell in 21 Maryland jurisdictions from the previous quarter, but increased in Allegany and Caroline counties and were unchanged in Garrett County. On an annual basis, foreclosure sales similarly declined in 23 Maryland jurisdictions, but increased in Garrett County.

Foreclosure sales fell 5.6 percent in Prince George’s County to 599 notices, and were down 28.1 percent below last year’s volume. Foreclosure sales in the county accounted for 25.7 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore City with 407 notices, or 17.5 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City fell 2.2 percent from the preceding quarter, dropping a 24.1 percent compared with the same period last year. Baltimore County with 333 notices, or 14.3 percent of the total, had the third highest number of foreclosure sales. Notices of sales in this county fell 22.8 percent from the previous quarter and by 35.9 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (188 sales, or 8.1 percent) and Montgomery (161 sales, or 6.9 percent), respectively. Together, these jurisdictions accounted for 72.4 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2017

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2017 Q1	2016 Q2
Allegany	26	1.1%	74.6%	-9.6%
Anne Arundel	188	8.1%	-23.3%	-36.9%
Baltimore	333	14.3%	-22.8%	-35.9%
Baltimore City	407	17.5%	-2.2%	-24.1%
Calvert	32	1.4%	-4.0%	-41.1%
Caroline	10	0.4%	-18.9%	-44.8%
Carroll	48	2.1%	5.4%	-17.8%
Cecil	34	1.5%	-24.4%	-50.7%
Charles	82	3.5%	-32.7%	-41.8%
Dorchester	10	0.4%	-37.1%	-68.7%
Frederick	70	3.0%	-12.3%	-33.7%
Garrett	9	0.4%	0.0%	8.8%
Harford	97	4.2%	-37.8%	-33.6%
Howard	56	2.4%	-26.4%	-50.9%
Kent	8	0.3%	-9.4%	-6.0%
Montgomery	161	6.9%	-27.9%	-50.9%
Prince George's	599	25.7%	-5.6%	-28.1%
Queen Anne's	14	0.6%	-34.9%	-52.8%
Somerset	10	0.4%	-3.5%	-17.5%
St. Mary's	33	1.4%	-11.7%	-41.5%
Talbot	5	0.2%	-28.6%	-78.4%
Washington	49	2.1%	-24.9%	-48.0%
Wicomico	35	1.5%	-4.0%	-37.1%
Worcester	17	0.7%	-30.0%	-56.7%
Maryland	2,334	100.0%	-15.8%	-35.4%

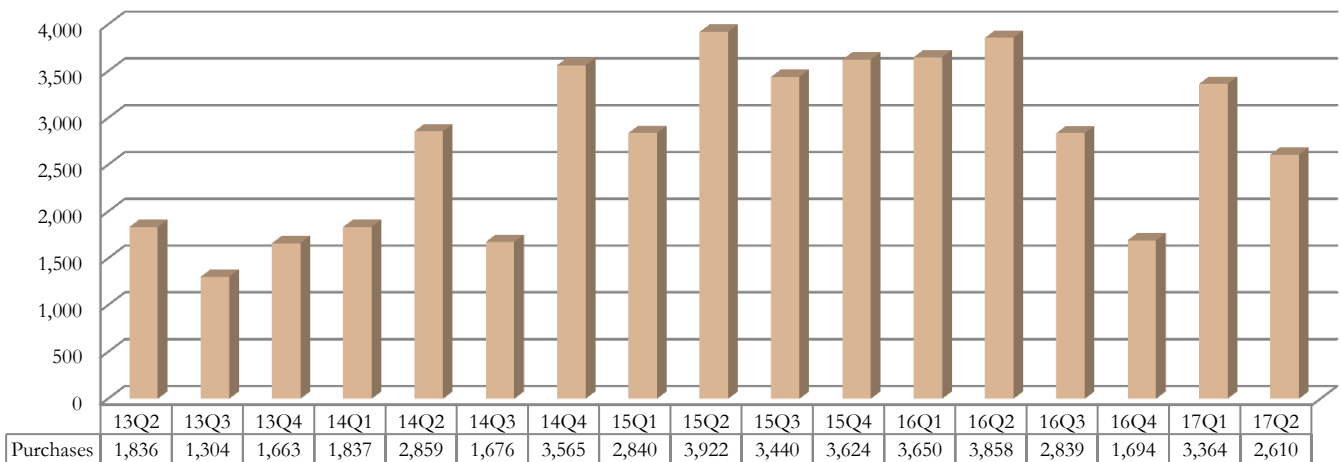
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties SECOND QUARTER 2017

Lender purchases of real estate owned by the lender (the final step in the foreclosure process that conveys property ownership back to lender) declined this quarter, falling back down 22.4 percent to 2,610 properties. While purchases continue to fluctuate since the third quarter 2016, lender purchases still remained 54.1 percent above the recent low in the last quarter of 2016. Compared to sales in the second quarter of 2016, lender purchases continued to trend downward for the fifth consecutive quarter, dropping 32.3 percent. Lender purchases decreased in 18 jurisdictions from the previous quarter, rising in the other six. Prince George’s, Somerset, and Wicomico counties experienced increases of greater than 100 percent. Compared with year ago levels, lender purchases declined in all jurisdictions, with the exception of Prince George’s County.

By jurisdiction, 721 lender purchases occurred in Prince George’s County, representing 27.6 percent of all lender purchases statewide, the largest share (Table 4). The number of lender purchases in this county grew by 103.7 percent above the previous quarter and by 13.1 percent above the same period last year. Baltimore City, with 511 lender purchases (19.6 percent of the total) had the second highest concentration in Maryland. Lender purchases in the City fell 34.2 percent in the second quarter, 23.4 percent below last year. Baltimore County, with 417 lender purchases (16.0 percent of the total), had the third highest concentration in Maryland. Lender purchases in the county were down by 38.2 percent from the previous quarter, but were down 13.0 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Montgomery County (173 purchases or 6.6 percent) and Anne Arundel County (147 purchases or 5.6 percent). Together, these jurisdictions represented 75.5 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
SECOND QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
SECOND QUARTER 2017**

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2017 Q1	2016 Q2
Allegany	32	1.2%	52.4%	-13.9%
Anne Arundel	147	5.6%	-27.4%	-75.4%
Baltimore	417	16.0%	-38.2%	-13.0%
Baltimore City	511	19.6%	-34.2%	-23.4%
Calvert	25	1.0%	-68.0%	-64.0%
Caroline	14	0.5%	-47.7%	-54.5%
Carroll	25	1.0%	-66.9%	-63.8%
Cecil	41	1.6%	41.4%	-30.5%
Charles	88	3.4%	-13.6%	-52.3%
Dorchester	11	0.4%	-52.6%	-67.8%
Frederick	44	1.7%	-59.7%	-60.9%
Garrett	8	0.3%	-33.3%	-32.5%
Harford	137	5.2%	-35.9%	-16.2%
Howard	62	2.4%	-48.1%	-17.5%
Kent	2	0.1%	-82.2%	-83.4%
Montgomery	173	6.6%	-44.7%	-27.7%
Prince George's	721	27.6%	103.7%	13.1%
Queen Anne's	11	0.4%	-5.1%	-56.9%
Somerset	13	0.5%	225.7%	-44.3%
St. Mary's	19	0.7%	4.1%	-70.6%
Talbot	6	0.2%	-67.7%	-70.8%
Washington	47	1.8%	-52.4%	-65.8%
Wicomico	42	1.6%	149.4%	-28.9%
Worcester	14	0.5%	-73.6%	-69.0%
Maryland	2,610	100.0%	-22.4%	-32.3%

Source: RealtyTrac and DHCD, Housing and Economic Research Office