



PROPERTY FORECLOSURE EVENTS IN MARYLAND

SECOND QUARTER 2018

JULY 2018

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SECOND QUARTER 2018

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Property Foreclosure Events in Maryland

SECOND QUARTER 2018

Executive Summary

Second quarter 2018 RealtyTrac data indicates property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales and lender purchases of foreclosed properties, decreased 0.5 percent to 188,843 events. Compared with the second quarter of 2017, foreclosure events continued to show year-over-year declines, falling 14.2 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, inched down ten basis points from 14.3 in the previous quarter to 14.2 in the current quarter. Nationally, foreclosure activity dropped in 37 states but increased in the other 13 states and in the District of Columbia. The top five increases were in California, Connecticut, Florida, Massachusetts, and Michigan, while the greatest declines were in Arizona, Hawaii, Iowa, Minnesota, and Wisconsin. Compared with the same quarter in 2017, total foreclosure events declined in 44 states but increased in Alaska, California, Michigan, South Dakota, Texas, Vermont, and in the District of Columbia.

In Maryland foreclosure events rose 8.1 percent from the preceding quarter to 6,796 events. Compared to the same quarter last year, Maryland's foreclosure activity dropped 12.6 percent. This represents the ninth consecutive year-over-year quarterly declines since the second quarter of 2016 (Exhibits 1 and 2).

New foreclosure filings in Maryland experienced a 19.1 percent rise to 2,840 events in the second quarter, but continued to decline compared with last year's volume for the 17th consecutive quarter, down 17.1 percent from year ago levels. Foreclosure sales grew by 6.6 percent from the prior quarter, and a 1.5 percent growth from the same quarter last year. Lender purchases rose by 7.4 percent over the previous quarter but were down 8.3 percent compared to the same quarter last year. Despite fluctuations in filings, steady increases in lender purchases continue to point toward increased confidence in the market as lenders continue to clear the pipeline.

Maryland's foreclosure rate increased 2.1 foreclosures per 10,000 households to 28.3 in the second quarter of 2018. 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 99.3 percent above the U.S. rate of 14.2 in the second quarter.

Among the neighboring states, Delaware's ranking increased to the 2nd highest in the current quarter. Pennsylvania's ranking decreased to the 14th highest. Virginia's ranking fell from the prior quarter to the 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. Events, properties, filings used in this report are used interchangeably.

EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
SECOND QUARTER 2018

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	2,840	2,369	2,393	6,796
Change (Last Quarter)	19.1%	6.6%	7.4%	8.1%
Change (Last Year)	-17.1%	1.5%	-8.3%	-12.6%
<i>U.S.</i>				
Number of Events	66,336	77,026	67,877	188,843
Change (Last Quarter)	3.3%	2.2%	3.8%	-0.5%
Change (Last Year)	-11.8%	-2.5%	-13.6%	-14.2%

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.

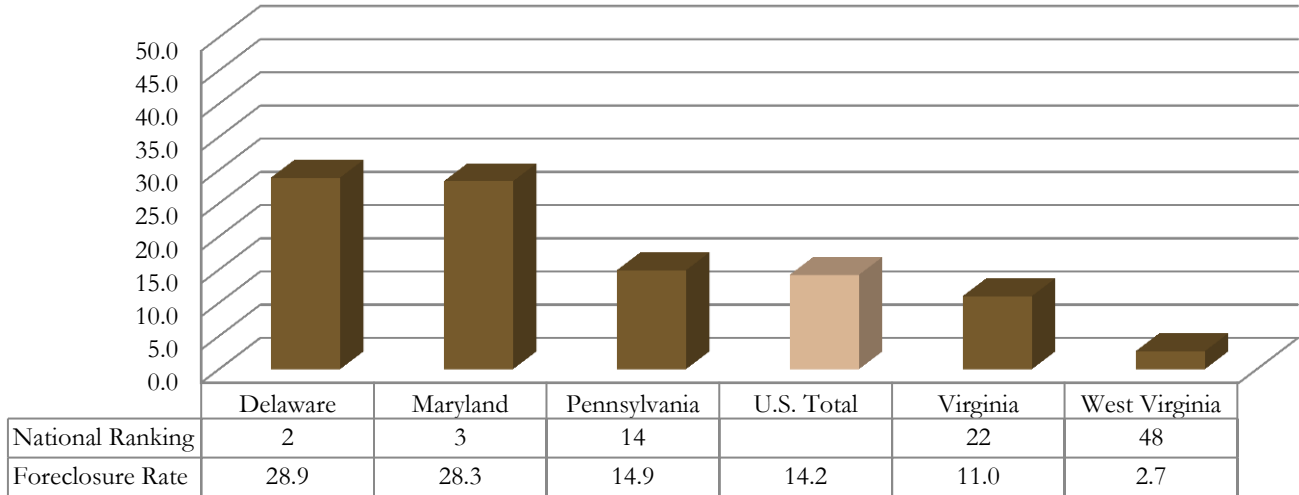
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
SECOND QUARTER 2018



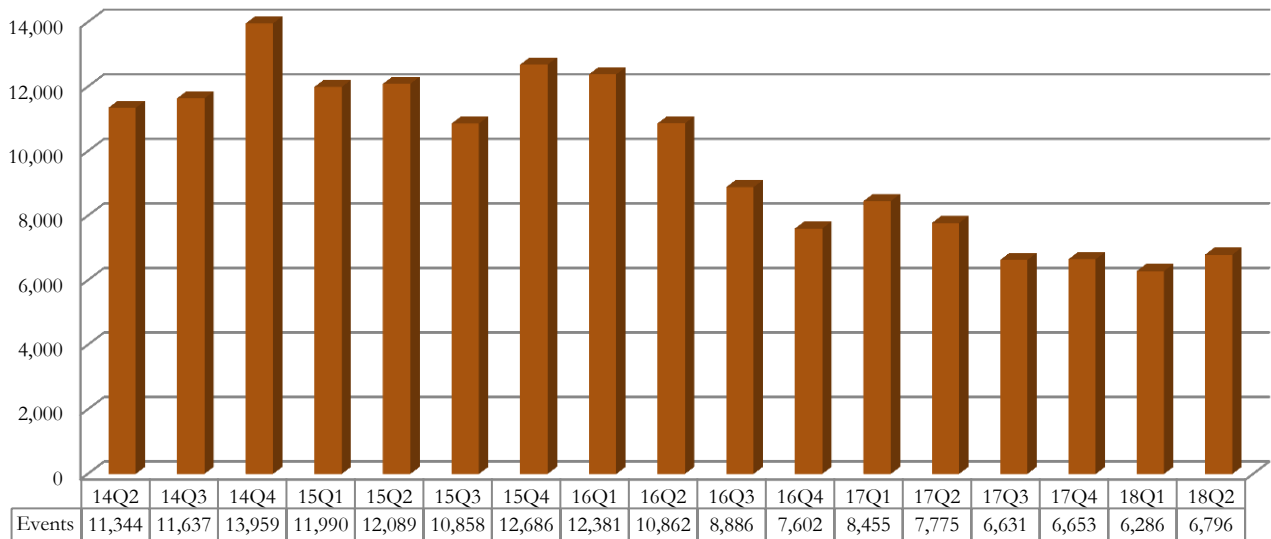
Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 1. FORECLOSURE RATES IN THE REGION: NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
SECOND QUARTER 2018**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 2. TOTAL FORECLOSURE ACTIVITY
SECOND QUARTER 2018**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of second quarter foreclosure events in Maryland jurisdictions. Compared to the preceding quarter, foreclosure events increased in 18 Maryland jurisdictions and declined in six counties. Foreclosure activity declined in 13 jurisdictions from year ago levels. Somerset County had the greatest increase in foreclosure events for both quarterly change and yearly with 408.9 percent and 346.6 percent increases, respectively.

Prince George's County with 1,842 events had the largest share of foreclosures statewide, accounting for 27.1 percent of the total. Foreclosure activity in the county rose 22.9 percent above the previous quarter but fell by 4.3 percent from the year prior. Baltimore City experienced a slight 1.2 percent rise in the second quarter to 1,162 filings, accounting for 17.1 percent of the statewide share. On an annual basis, the City's foreclosures fell 17.5 percent below prior year levels. Baltimore County had 935 events, or 13.8 percent of the total, had the third highest share in Maryland. Foreclosures in this county fell 10.5 percent below the last quarter, and by 25.2 percent from one year ago.

Other counties with a large share of foreclosure events include Anne Arundel (512 events or 7.5 percent), Montgomery (449 properties or 6.6 percent of the total), Harford (245 events or 3.6 percent), Charles (192 events or 2.8 percent), Washington (183 events or 2.7 percent), Howard (178 events or 2.6 percent), and Frederick (141 events or 2.1 percent). These ten jurisdictions represented 85.9 percent of all foreclosures events in Maryland.

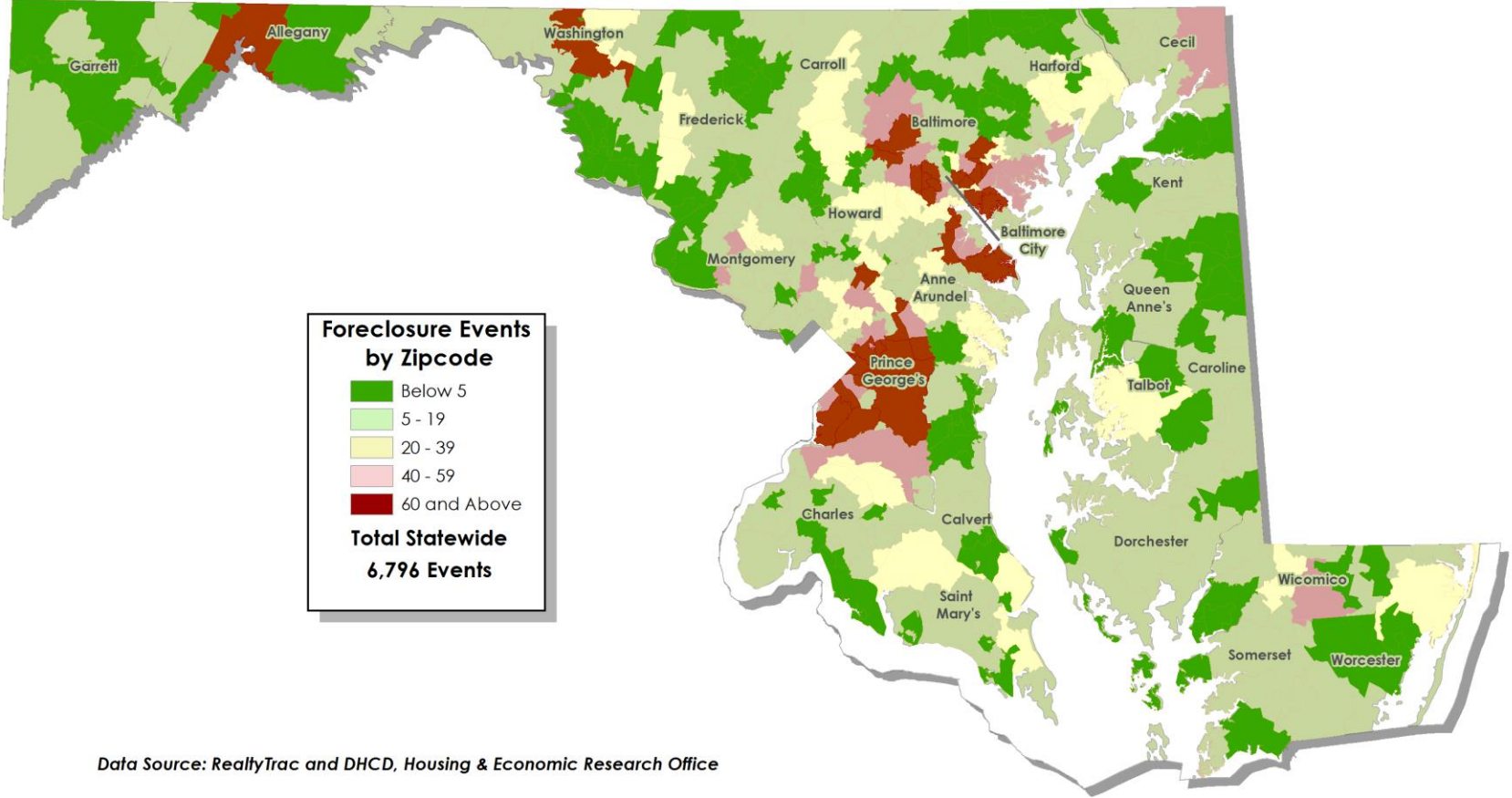
TABLE 1. PROPERTY FORECLOSURE EVENTS
SECOND QUARTER 2018

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2018 Q1	2017 Q2
Allegany	56	22	28	95	1.4%	39.7%	5.7%
Anne Arundel	258	175	132	512	7.5%	-6.4%	-12.3%
Baltimore	394	344	304	935	13.8%	-10.5%	-25.2%
Baltimore City	496	423	386	1,162	17.1%	1.2%	-17.5%
Calvert	11	46	35	88	1.3%	9.6%	-15.7%
Caroline	2	14	22	35	0.5%	17.4%	53.6%
Carroll	42	50	45	121	1.8%	25.2%	-2.2%
Cecil	12	43	47	92	1.4%	48.4%	22.7%
Charles	25	100	98	192	2.8%	12.4%	-30.2%
Dorchester	6	12	14	32	0.5%	5.6%	46.8%
Frederick	28	67	61	141	2.1%	10.6%	-28.1%
Garrett	3	9	7	17	0.3%	21.4%	-43.6%
Harford	85	109	98	245	3.6%	-2.8%	-30.9%
Howard	78	65	53	178	2.6%	-0.3%	-19.3%
Kent	6	9	10	21	0.3%	68.3%	91.6%
Montgomery	209	171	122	449	6.6%	15.2%	-18.8%
Prince George's	767	537	740	1,842	27.1%	22.9%	-4.3%
Queen Anne's	28	16	13	52	0.8%	-1.3%	6.4%
Somerset	63	40	34	120	1.8%	408.9%	346.6%
St. Mary's	14	6	11	28	0.4%	-73.8%	-62.5%
Talbot	35	12	16	54	0.8%	19.3%	106.7%
Washington	104	59	49	183	2.7%	26.6%	10.8%
Wicomico	79	23	45	132	1.9%	23.9%	7.1%
Worcester	39	17	23	70	1.0%	26.4%	5.5%
Maryland	2,840	2,369	2,393	6,796	100%	8.1%	-12.6%

*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

Maryland Foreclosure Events

Second Quarter 2018



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

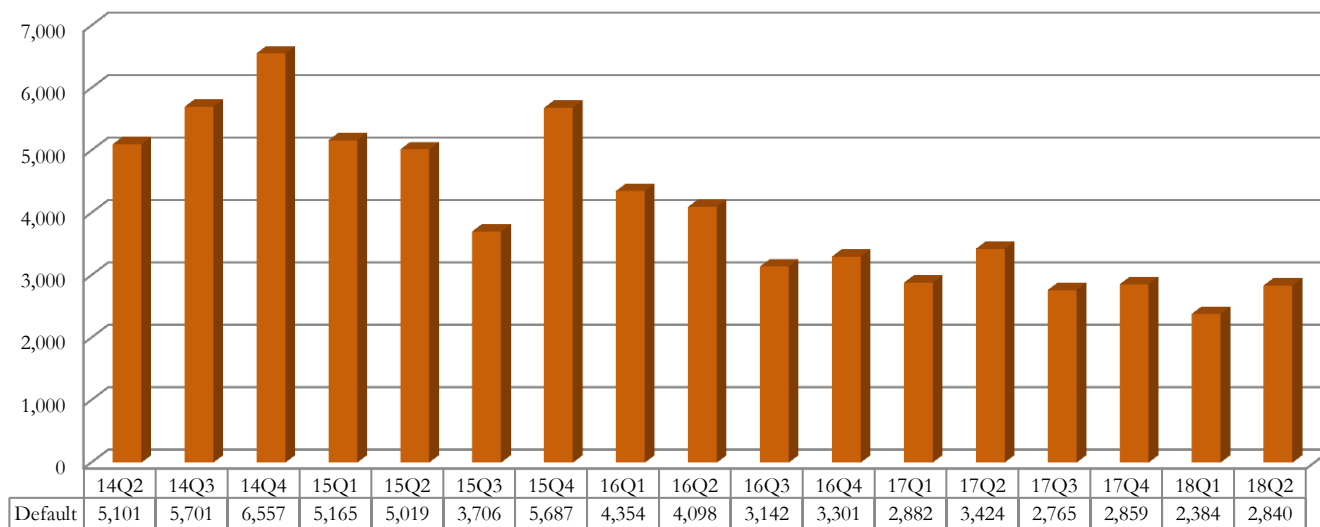
Notices of Mortgage Loan Default

SECOND QUARTER 2018

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) rose 19.1 percent to 2,840 filings in the second quarter (Chart 3). Compared to last year, new foreclosure filings continued to decline by 17.1 percent, recording the seventeenth consecutive quarter of year over year declines (Table 2). Thirteen Maryland jurisdictions recorded year over year quarterly declines whereas only three counties experienced decreases from the previous quarter. Decreases from the previous quarter ranged between 11.2 percent and 57.1 percent.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 27.0 percent of all filings statewide or 767 notices (Table 2). The county’s default notices increased 26.3 percent from the previous quarter and by 3.1 percent above last year’s volume. Baltimore City, with 496 default notices (17.5 percent of the total), had the second highest number of defaults in Maryland. The City’s new defaults inched up 0.3 percent from the preceding quarter levels but fell by 19.7 percent above last year levels. Baltimore County, with 394 default notices, or 13.9 percent of the total, had the third highest number of notices. The County’s default notices declined 25.3 percent from the previous quarter and by 34.1 percent below last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (258 default notices, or 9.1 percent of the total). Montgomery County had the fifth largest share with 209 notices or a 7.4 percent share. Together, these jurisdictions represented 74.8 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2018



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2018**

Jurisdiction	2018 Q2		% Change from	
	Number	% of Total	2018 Q1	2017 Q2
Allegany	56	2.0%	366.7%	58.5%
Anne Arundel	258	9.1%	9.4%	-11.5%
Baltimore	394	13.9%	-25.3%	-34.1%
Baltimore City	496	17.5%	0.3%	-19.7%
Calvert	11	0.4%	n/a	-79.7%
Caroline	2	0.1%	48.1%	270.4%
Carroll	42	1.5%	12.8%	-28.2%
Cecil	12	0.4%	n/a	n/a
Charles	25	0.9%	1131.5%	-81.1%
Dorchester	6	0.2%	n/a	n/a
Frederick	28	1.0%	709.2%	-72.8%
Garrett	3	0.1%	n/a	-80.8%
Harford	85	3.0%	20.6%	-42.8%
Howard	78	2.7%	-11.2%	-31.4%
Kent	6	0.2%	106.9%	177.8%
Montgomery	209	7.4%	79.9%	-14.6%
Prince George's	767	27.0%	26.3%	3.1%
Queen Anne's	28	1.0%	57.7%	-4.5%
Somerset	63	2.2%	521.3%	867.7%
St. Mary's	14	0.5%	-57.1%	-53.1%
Talbot	35	1.2%	288.9%	105.9%
Washington	104	3.7%	113.3%	13.7%
Wicomico	79	2.8%	101.1%	42.3%
Worcester	39	1.4%	41.4%	12.3%
Maryland	2,840	100.0%	19.1%	-17.1%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

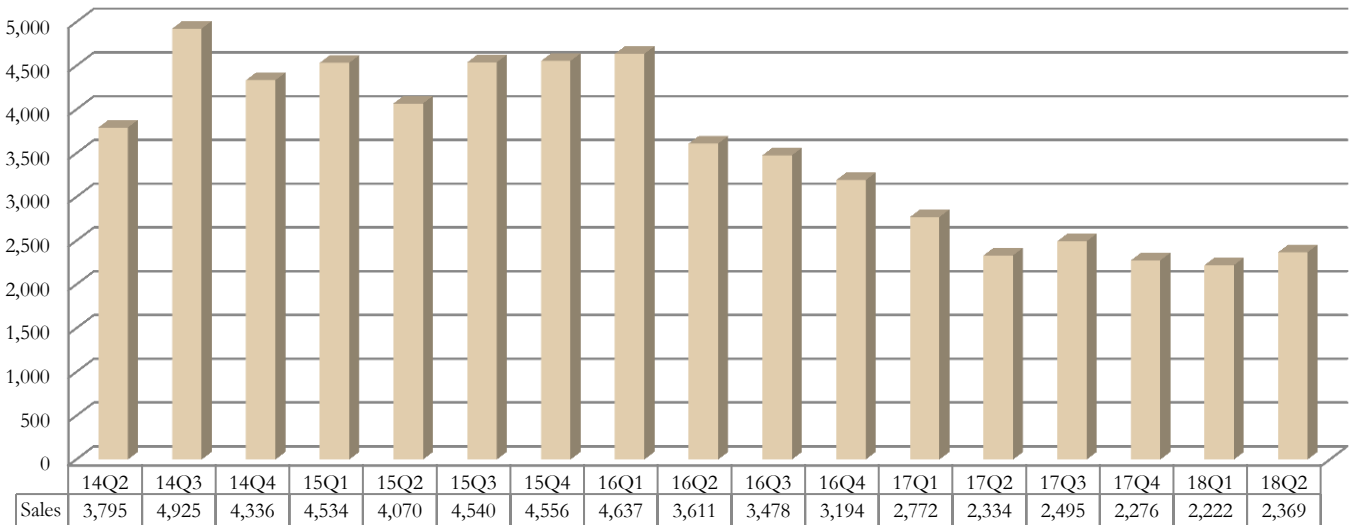
Notices of Foreclosure Sales

SECOND QUARTER 2018

Foreclosure sale or judgment of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) rose 6.6 percent from the prior quarter to 2,369 filings (Chart 4). Compared to the second quarter 2017, foreclosure sales inched up 1.5 percent. Foreclosure sales fell in eight Maryland jurisdictions from the previous quarter, increased in the other 16. On an annual basis, foreclosure sales also declined in eight Maryland jurisdictions and increased in the other 16 counties. The most significant quarterly growth and declines were in Kent and Somerset counties and in Caroline and St. Mary’s counties, respectively.

Foreclosure sales rose by 12.8 percent in Prince George’s County to 537 notices but fell by 10.4 percent below last year’s volume. Foreclosure sales in the county accounted for 22.7 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore City with 423 notifications, or 17.9 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City increased 18.3 percent from the preceding quarter and by 3.8 percent compared with the same period in 2017. Baltimore County with 344 notices, or 14.5 percent of the total, had the third highest number of foreclosure sales. Notices of sales in this county fell 2.4 percent from the previous quarter but rose by 3.2 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (175 sales, or 7.4 percent) and Montgomery (171 sales, or 7.2 percent), respectively. Together, these jurisdictions accounted for 69.7 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2018



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2018

Jurisdiction	2018 Q2		% Change from	
	Number	% of Total	2018 Q1	2017 Q2
Allegany	22	0.9%	4.9%	14.6%
Anne Arundel	175	7.4%	10.3%	6.9%
Baltimore	344	14.5%	2.4%	-3.2%
Baltimore City	423	17.9%	-18.3%	-3.8%
Calvert	46	1.9%	-21.4%	-42.6%
Caroline	14	0.6%	22.5%	-44.6%
Carroll	50	2.1%	-55.7%	-4.4%
Cecil	43	1.8%	-34.4%	-26.5%
Charles	100	4.2%	-12.6%	-22.4%
Dorchester	12	0.5%	-7.2%	-18.7%
Frederick	67	2.8%	-3.3%	4.7%
Garrett	9	0.4%	-14.4%	2.7%
Harford	109	4.6%	14.3%	-12.4%
Howard	65	2.7%	-18.3%	-16.9%
Kent	9	0.4%	-72.4%	-10.8%
Montgomery	171	7.2%	6.3%	-5.9%
Prince George's	537	22.7%	-12.8%	10.4%
Queen Anne's	16	0.7%	-25.2%	-11.6%
Somerset	40	1.7%	-769.6%	-312.4%
St. Mary's	6	0.3%	82.3%	81.8%
Talbot	12	0.5%	-50.0%	-140.0%
Washington	59	2.5%	-12.4%	-20.4%
Wicomico	23	1.0%	20.9%	33.6%
Worcester	17	0.7%	-20.9%	2.3%
Maryland	2,369	100.0%	-6.6%	-1.5%

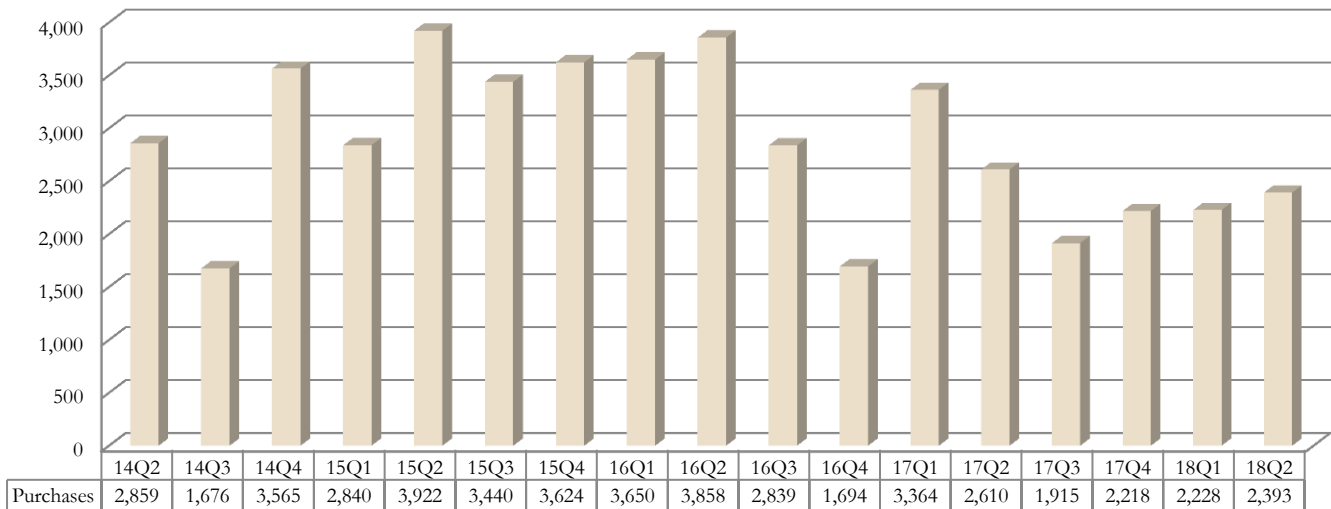
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties SECOND QUARTER 2018

Lender purchases of real estate owned (REO) by the lender (the final step in the foreclosure process that conveys property ownership back to lender) rose 7.4 percent this quarter to 2,393 properties. Compared to activity in the second quarter of 2017, lender purchases fell 8.3 percent. REOs increased in 12 jurisdictions from the previous quarter, falling in the other 12 between 1.7 to 75.7 percent. Compared with year ago levels lender purchases declined in nine jurisdictions, conversely, increasing between 2.6 and 376.3 percent in the other 15. Increases in lender purchases is good news for the housing market as it marks the final stage in the foreclosure process where properties are purchased directly by the banks and returned to their inventory for sales.

By jurisdiction, with 740 lender purchases (30.9 percent of the total), Prince George’s County had the highest concentration in Maryland (Table 4). Lender purchases in the county rose 37.7 percent in the second quarter but only experienced a slight bump of 2.6 percent above last year. Lender purchases in Baltimore City, which totaled 386, accounted for 16.1 percent of purchases statewide. Sales in the City experienced a 4.6 percent decline from the previous quarter, and a 24.5 percent decrease from the previous year. Baltimore County, with 304 lender purchases (12.7 percent of the total), had the third highest concentration in Maryland. Lender purchases in the county were up by 10.0 percent from the previous quarter but down by 27.0 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Anne Arundel (132 purchases or 5.5 percent) and Montgomery (122 purchases or 5.1 percent) counties. Together, these jurisdictions represented 70.3 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
SECOND QUARTER 2018



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
SECOND QUARTER 2018**

Jurisdiction	2018 Q2		% Change from	
	Number	% of Total	2018 Q1	2017 Q2
Allegany	28	1.2%	-24.1%	-12.5%
Anne Arundel	132	5.5%	-19.5%	-10.2%
Baltimore	304	12.7%	10.0%	-27.0%
Baltimore City	386	16.1%	-4.6%	-24.5%
Calvert	35	1.5%	-22.1%	40.6%
Caroline	22	0.9%	56.8%	62.1%
Carroll	45	1.9%	23.9%	80.1%
Cecil	47	2.0%	38.2%	14.6%
Charles	98	4.1%	9.1%	11.3%
Dorchester	14	0.6%	-26.7%	22.5%
Frederick	61	2.5%	-4.4%	38.8%
Garrett	7	0.3%	14.4%	-12.5%
Harford	98	4.1%	17.5%	-28.2%
Howard	53	2.2%	9.0%	-14.7%
Kent	10	0.4%	71.2%	376.2%
Montgomery	122	5.1%	-1.7%	-29.6%
Prince George's	740	30.9%	37.7%	2.6%
Queen Anne's	13	0.5%	-51.9%	20.6%
Somerset	34	1.4%	257.5%	168.4%
St. Mary's	11	0.5%	-75.7%	-41.1%
Talbot	16	0.7%	-47.1%	161.0%
Washington	49	2.0%	-14.4%	3.3%
Wicomico	45	1.9%	-10.7%	7.0%
Worcester	23	1.0%	22.1%	61.1%
Maryland	2,393	100.0%	7.4%	-8.3%

Source: RealtyTrac and DHCD, Housing and Economic Research Office