



PROPERTY FORECLOSURE EVENTS IN MARYLAND

THIRD QUARTER 2019

SEPTEMBER 2019

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Property Foreclosure Events in Maryland
THIRD QUARTER 2019

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Property Foreclosure Events in Maryland

THIRD QUARTER 2019

Executive Summary

RealtyTrac reported a total of 145,854 property foreclosure filings (or events) in the U.S.—including notices of default, notices of foreclosure sales and lender purchases of foreclosed properties—during the third quarter of 2019, down 8.7 percent from the previous quarter and down by 17.7 percent from levels a year ago (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, declined to 11.0, down 100 basis points from 12.0 in the previous quarter.

Third quarter foreclosure data show that foreclosure activity increased in six of the 21 (28.6 percent) judicial states compared to 11 of the 30 (36.7 percent) non-judicial states including the District of Columbia. In a judicial foreclosure state, the lender is required to file a complaint in court in order to foreclose whereas in a non-judicial foreclosure state, the lender may proceed with a foreclosure without going through the legal system. The final outcome in either judicial or non-judicial is a foreclosure sale in the foreclosure process.

Nationwide, foreclosure activity dropped in 33 states and in the District of Columbia and increased in the other 17 states. The top five increases in the third quarter of 2019 were in Georgia, Kansas, North Dakota, West Virginia, and Wyoming, while the largest declines were in Arizona, the District of Columbia, New Jersey, Oregon, and Washington. Compared with the same period in 2018, total foreclosure events declined in 40 states and in the District of Columbia, from Alabama with a reduction of 2.8 percent to a 40.7 percent reduction in Nevada. Ten states saw increases in foreclosures ranging between 2.3 percent in Kansas to 54.4 percent in North Dakota.

In Maryland, foreclosure activity or events fell by 13.7 percent to 4,913, a decline of 777 events. Foreclosure activity has fluctuated in the last decade: this is the first time in eight years that the state has experienced five consecutive quarterly decreases. Maryland continues to have a strong downward trend of foreclosure activity on an annual basis, this quarter marking the 14th consecutive quarter of year-over-year declines (Exhibits 1 and 2).

New foreclosure filings in Maryland increased 4.1 percent to 2,603 events in the third quarter. Foreclosure sales decreased by 15.0 percent from the prior quarter to 1,870, a 20.3 percent decrease from the same quarter last year. Lender purchases decreased 37.0 percent to 865 properties, a decrease of 45.0 percent over the same time last year. Decreases in foreclosure inventory bode well for the ongoing recovery in the housing market and the economy at large.

The foreclosure rate in Maryland decreased by 3.2 foreclosures per 10,000 households to 20.5 in the third quarter of 2019. Maryland remained one of the top five states with the highest foreclosure rates nationwide—along with Delaware, Florida, Illinois, and New Jersey—and the state's foreclosure rate was 86.4 percent above the U.S. rate of 11.0 in the third quarter. The U.S. rate fell by 1.0 foreclosure per 10,000 households from the preceding quarter. Maryland's ranking dropped to the third-highest state-ranked foreclosure rate (after Delaware and New Jersey) and Pennsylvania and Virginia both fell in ranking to 12th highest and 24th highest, respectively.

RealtyTrac's method 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, the total number of foreclosures in this report represents the number of unique properties only. Events, properties, and filings used in this report are used interchangeably.

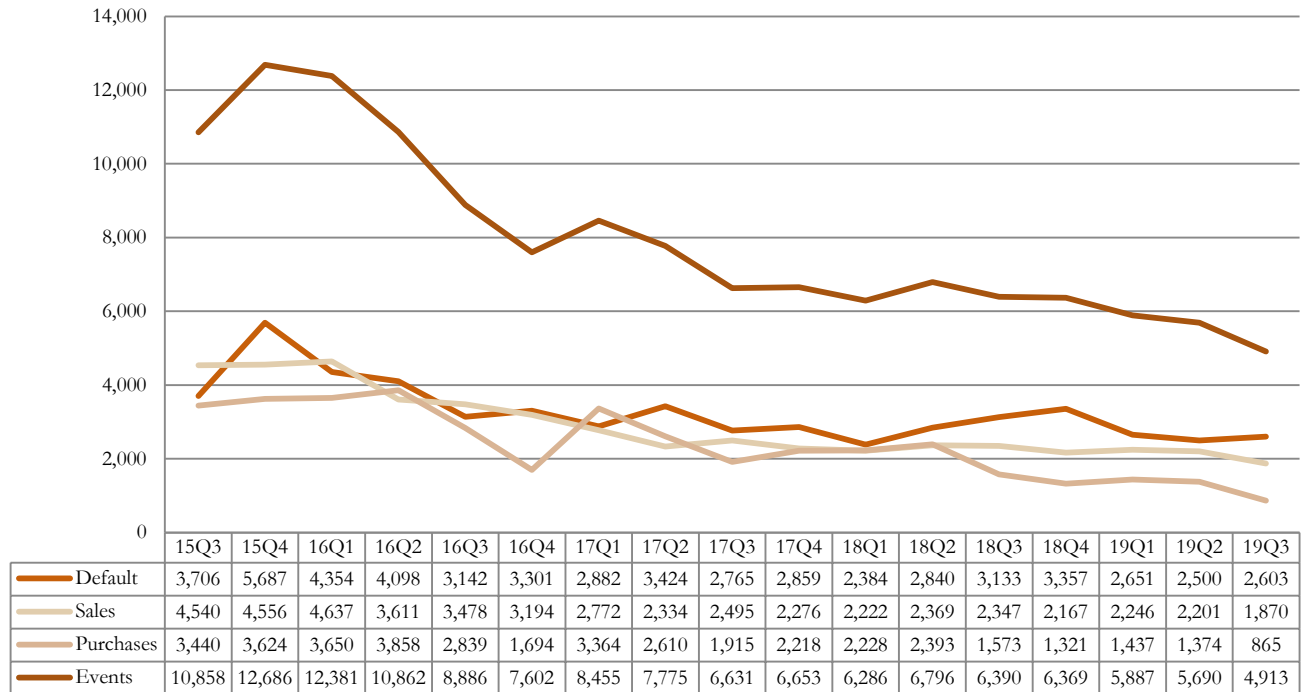
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
THIRD QUARTER 2019

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
Maryland				
Number of Events	2,603	1,870	865	4,913
Change (Last Quarter)	4.1%	-15.0%	-37.0%	-13.7%
Change (Last Year)	-16.9%	-20.3%	-45.0%	-23.1%
U.S.				
Number of Events	48,348	70,218	34,432	145,854
Change (Last Quarter)	-12.5%	-2.9%	6.4%	-8.7%
Change (Last Year)	-22.3%	-7.3%	-33.1%	-17.7%

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

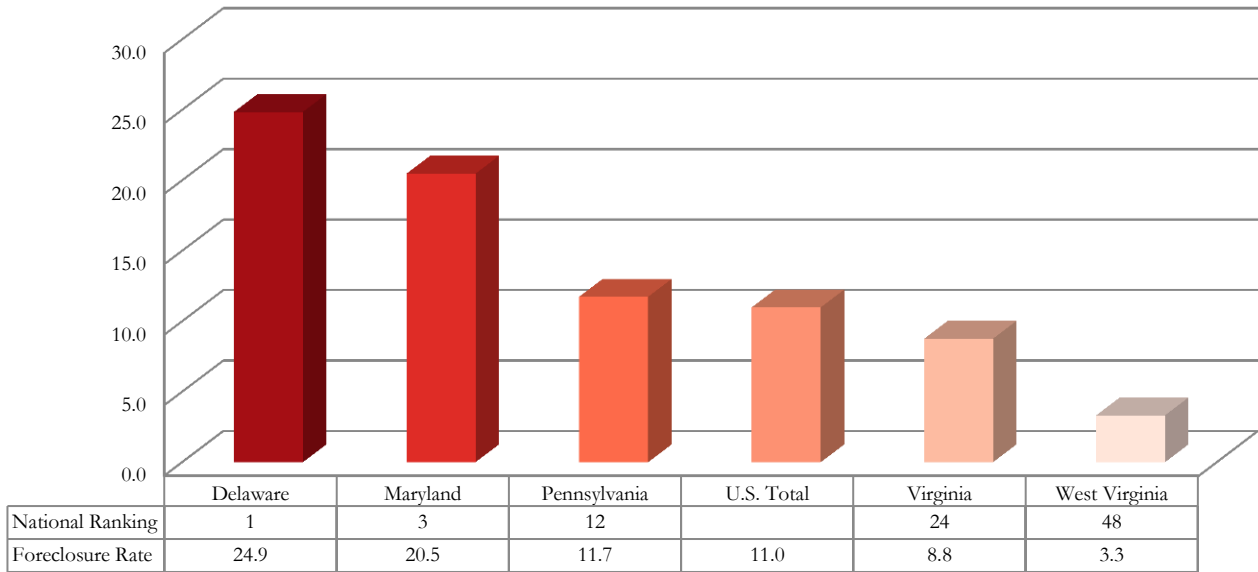
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
THIRD QUARTER 2019



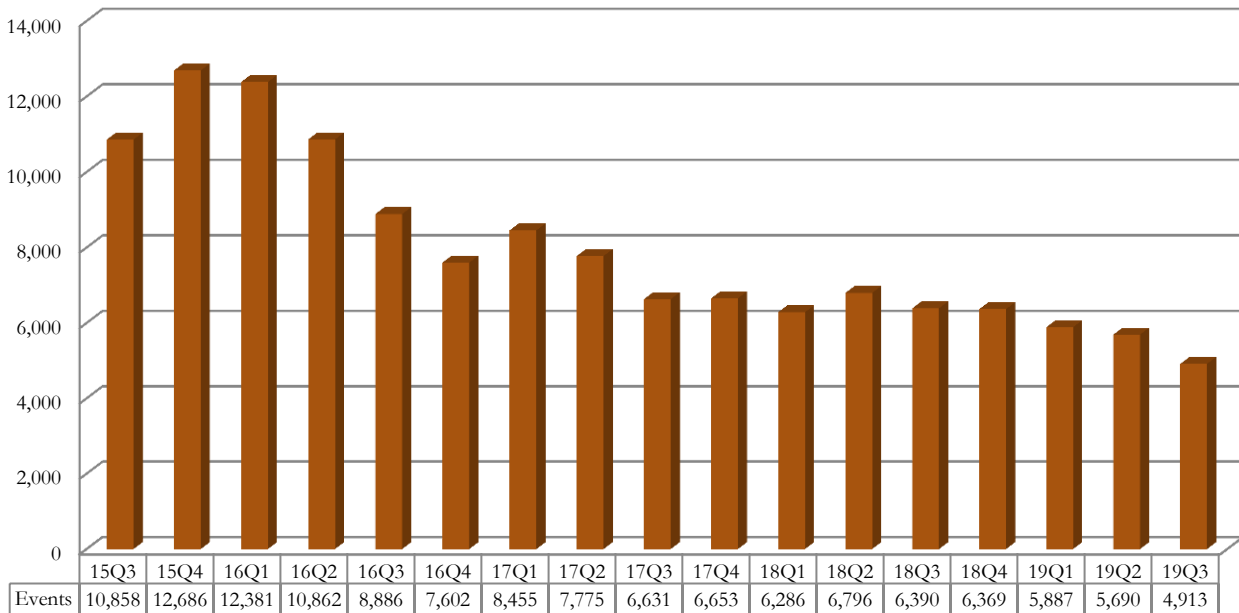
Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 1. FORECLOSURE RATES IN THE REGION
NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
 THIRD QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. TOTAL FORECLOSURE ACTIVITY
 THIRD QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of third quarter foreclosure events in Maryland. Compared to the second quarter, foreclosure events grew in 10 Maryland jurisdictions and declined in the other 14 jurisdictions. When compared with levels a year ago, foreclosure activity declined in 21 jurisdictions. Washington County had the highest growth from the previous quarter with 82.3 percent and Baltimore City recorded the largest decline statewide at 32.3 percent. From year ago levels, Somerset County had the highest growth of 8.1 percent while Dorchester County had the largest decline of 46.4 percent.

Prince George's County with 1,078 events had the largest share of foreclosures statewide, accounting for 21.9 percent of the total. Foreclosure activity in the county fell 23.5 percent since the preceding quarter and 24.6 percent from the prior year. Baltimore County had the second-largest share of foreclosures—15.4 percent—at 754 events, a decline of 15.8 percent since last quarter and a decline of 21.9 percent from year ago levels. Baltimore City with 702 events, or 14.3 percent of the total, had the third-highest share in Maryland; foreclosures in the city dropped since last quarter as well as a year ago by 32.3 percent and 33.7 percent, respectively.

Other jurisdictions with relatively large shares of foreclosure events include Anne Arundel with 472 events (9.6 percent), Montgomery (341 events or 6.9 percent), Charles (203 properties or 4.1 percent of the total), Harford (169 events or 3.4 percent), Washington and Howard (each with 153 events or 3.1 percent), and Frederick (122 events or 2.5 percent). These 10 jurisdictions represented 84.4 percent of all foreclosures events in Maryland.

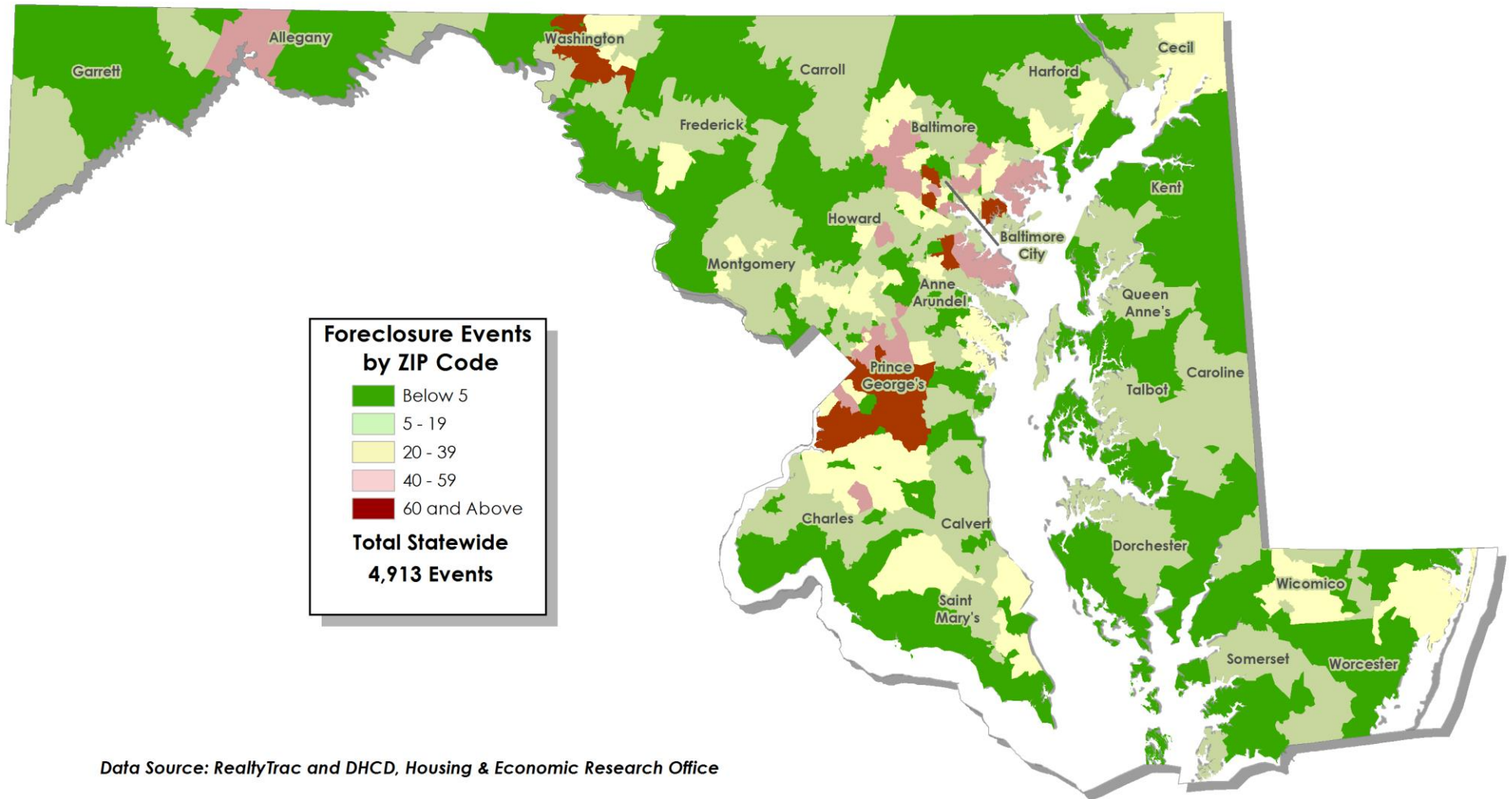
TABLE 1. PROPERTY FORECLOSURE EVENTS
THIRD QUARTER 2019

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2019 Q2	2018 Q3
Allegany	40	14	21	70	1.4%	-5.9%	-14.7%
Anne Arundel	246	181	80	472	9.6%	-0.9%	-6.4%
Baltimore	369	333	127	754	15.4%	-15.8%	-21.9%
Baltimore City	310	343	116	702	14.3%	-32.3%	-33.7%
Calvert	34	31	26	87	1.8%	-0.9%	-21.8%
Caroline	19	10	14	40	0.8%	13.2%	-21.1%
Carroll	41	31	20	85	1.7%	-2.0%	-29.1%
Cecil	32	27	25	76	1.5%	-19.1%	-30.3%
Charles	99	77	41	203	4.1%	-6.2%	-20.4%
Dorchester	13	11	5	27	0.5%	-28.7%	-46.4%
Frederick	65	44	25	122	2.5%	-31.5%	-35.2%
Garrett	8	8	3	17	0.3%	24.2%	-28.9%
Harford	95	59	36	169	3.4%	-11.2%	-32.5%
Howard	104	42	25	153	3.1%	1.8%	-8.2%
Kent	11	2	5	18	0.4%	-18.2%	-32.1%
Montgomery	173	143	53	341	6.9%	-2.5%	-28.6%
Prince George's	661	372	126	1,078	21.9%	-23.5%	-24.6%
Queen Anne's	31	7	6	42	0.9%	7.3%	-12.5%
Somerset	16	4	7	26	0.5%	5.8%	8.1%
St. Mary's	54	36	18	101	2.1%	45.8%	3.2%
Talbot	20	2	8	29	0.6%	62.5%	-2.9%
Washington	79	50	43	153	3.1%	82.3%	5.6%
Wicomico	49	24	22	87	1.8%	66.0%	-11.4%
Worcester	35	19	14	62	1.3%	26.4%	-19.1%
Maryland	2,603	1,870	865	4,913	100.0%	-13.7%	-23.1%

*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

Third Quarter 2019



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

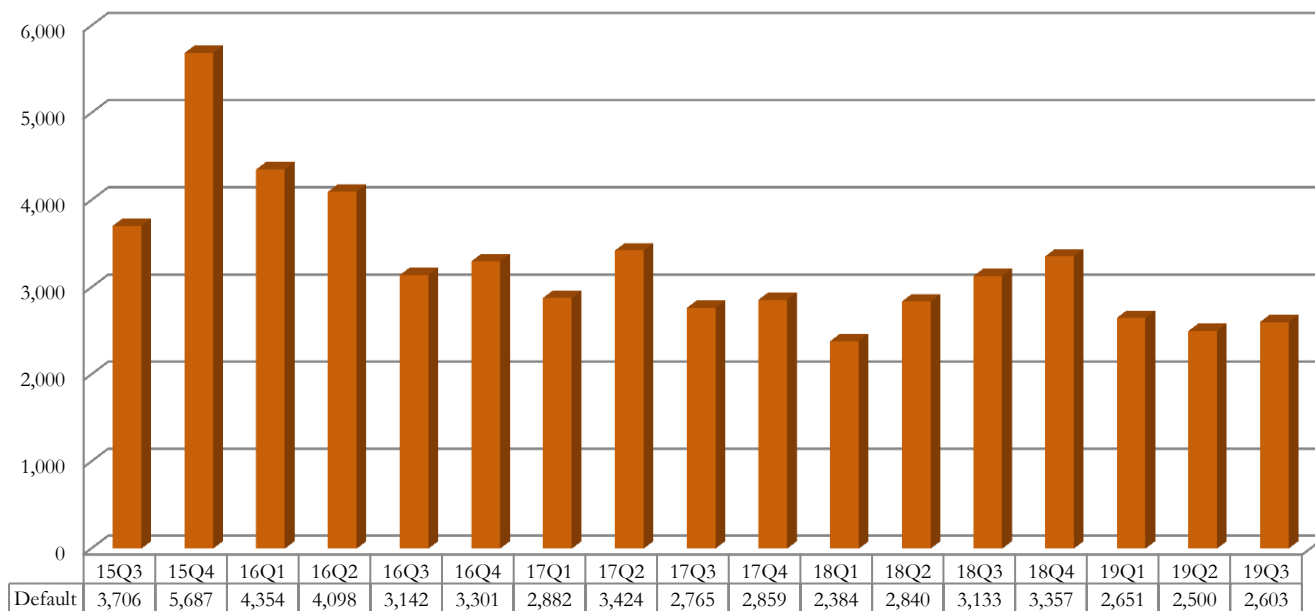
Notices of Mortgage Loan Default

THIRD QUARTER 2019

Default notices (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) grew 4.1 percent to 2,603 filings in the third quarter (Chart 3). However, this is a 16.9 percent decrease from the third quarter of 2018. Eight jurisdictions recorded year-over-year growth, while 14 jurisdictions recorded decreases in defaults.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 25.4 percent of all filings statewide or 661 notices (Table 2). The county’s default notices dropped 3.9 percent from the previous quarter and 1.0 percent below last year’s volume. Baltimore County, with 369 default notices (14.2 percent of the total), had the second-highest number of defaults in Maryland. The county’s new defaults fell 11.9 percent from the preceding quarter and by 27.6 percent from last year’s level. Baltimore City, with 310 default notices, or 11.9 percent of the total, had the third-highest number of notices. The city’s default notices decreased 39.4 percent from the previous quarter and by 42.7 percent from last year’s volume. Other counties with high defaults include Anne Arundel County which had the fourth-largest share with 246 notices or a 9.4 percent share, and Montgomery with the fifth-highest number of notices (173 default notices, or 6.7 percent of the total). Together, these five jurisdictions represented 67.6 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
THIRD QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
THIRD QUARTER 2019

Jurisdiction	2019 Q3		% Change from	
	Number	% of Total	2019 Q2	2018 Q3
Allegany	40	1.5%	N/A	52.9%
Anne Arundel	246	9.4%	0.5%	-1.6%
Baltimore	369	14.2%	-11.9%	-27.6%
Baltimore City	310	11.9%	-39.4%	-42.7%
Calvert	34	1.3%	27.7%	-40.0%
Caroline	19	0.7%	39.2%	-25.2%
Carroll	41	1.6%	-9.3%	-27.4%
Cecil	32	1.2%	-5.9%	-42.9%
Charles	99	3.8%	236.0%	-24.3%
Dorchester	13	0.5%	129.3%	-30.1%
Frederick	65	2.5%	24.6%	-31.8%
Garrett	8	0.3%	165.3%	-18.9%
Harford	95	3.7%	20.1%	-21.5%
Howard	104	4.0%	69.9%	36.4%
Kent	11	0.4%	65.7%	-29.0%
Montgomery	173	6.7%	-6.0%	-33.2%
Prince George's	661	25.4%	-3.9%	-1.0%
Queen Anne's	31	1.2%	79.8%	42.3%
Somerset	16	0.6%	-54.5%	23.9%
St. Mary's	54	2.1%	41.6%	16.8%
Talbot	20	0.8%	1925.0%	99.9%
Washington	79	3.0%	2583.3%	43.1%
Wicomico	49	1.9%	1877.3%	41.6%
Worcester	35	1.3%	N/A	-6.5%
Maryland	2,603	100.0%	4.1%	-16.9%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

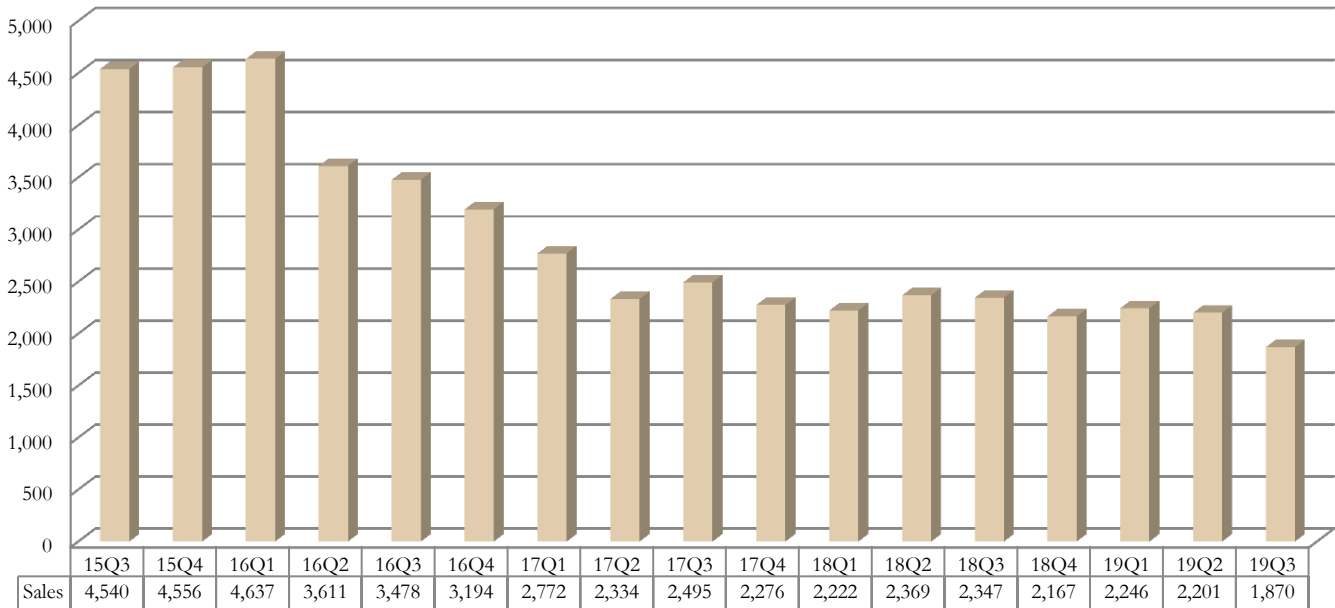
Notices of Foreclosure Sales

THIRD QUARTER 2019

Foreclosure sales, or judgment of sales, notices (orders signed by a judge authorizing the sale of a property at a public auction) decreased 15.0 percent from the prior quarter to 1,870 filings (Chart 4). Compared to the third quarter of 2018, foreclosure sales also dropped 20.3 percent. Foreclosure sales fell in 17 jurisdictions from the previous quarter and increased in the other seven. On an annual basis, foreclosure sales declined in 20 jurisdictions but increased in the other four. The most significant quarterly growth was in Charles County which had 77 foreclosure sales this quarter, a growth of 165.3 percent. Talbot County had the most significant quarterly and annual decline with two foreclosure sales, a decrease of 85.7 percent quarterly and 77.8 percent year-over-year.

Current quarter foreclosure sales fell by 26.0 percent in Prince George’s County to 372 notices, down by 29.6 percent over last year’s volume. Foreclosure sales in the county accounted for 19.9 percent of all foreclosure sales statewide, the largest share among the state’s 24 jurisdictions (Table 3). Baltimore City with 343 notifications, or 18.4 percent of the total, had the second-highest number of foreclosure sales in Maryland. Foreclosure sales in the city decreased 19.7 percent from the preceding quarter and 14.1 percent compared with the same period in 2018. Baltimore County—with 333 notices, or 17.8 percent of the total—had the third-highest number of foreclosure sales. Notices of sales in this county decreased 8.3 percent from the previous quarter and by 9.0 percent from the same period last year. The fourth- and fifth-highest shares of foreclosure sales this quarter occurred in Anne Arundel County (181 sales, or 9.7 percent) and Montgomery County (143 sales, or 7.6 percent), respectively. Together, these jurisdictions accounted for 73.3 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
THIRD QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
THIRD QUARTER 2019

Jurisdiction	2019 Q3		% Change from	
	Number	% of Total	2019 Q2	2018 Q3
Allegany	14	0.7%	-50.5%	-52.9%
Anne Arundel	181	9.7%	-2.8%	3.9%
Baltimore	333	17.8%	-8.3%	-9.0%
Baltimore City	343	18.4%	-19.7%	-14.1%
Calvert	31	1.7%	-35.6%	-23.8%
Caroline	10	0.5%	-16.5%	24.6%
Carroll	31	1.6%	-7.3%	-34.6%
Cecil	27	1.4%	80.0%	-37.2%
Charles	77	4.1%	165.3%	-15.9%
Dorchester	11	0.6%	12.9%	-35.6%
Frederick	44	2.3%	-12.8%	-35.2%
Garrett	8	0.4%	37.9%	81.3%
Harford	59	3.1%	-9.3%	-33.6%
Howard	42	2.3%	-31.5%	-32.4%
Kent	2	0.1%	-84.3%	-73.3%
Montgomery	143	7.6%	-33.4%	-20.9%
Prince George's	372	19.9%	-26.0%	-29.6%
Queen Anne's	7	0.4%	-43.8%	-49.9%
Somerset	4	0.2%	-82.8%	-51.5%
St. Mary's	36	1.9%	93.8%	10.6%
Talbot	2	0.1%	-85.7%	-77.8%
Washington	50	2.7%	52.0%	-19.7%
Wicomico	24	1.3%	70.0%	-40.8%
Worcester	19	1.0%	-3.0%	-19.0%
Maryland	1,870	100.0%	-15.0%	-20.3%

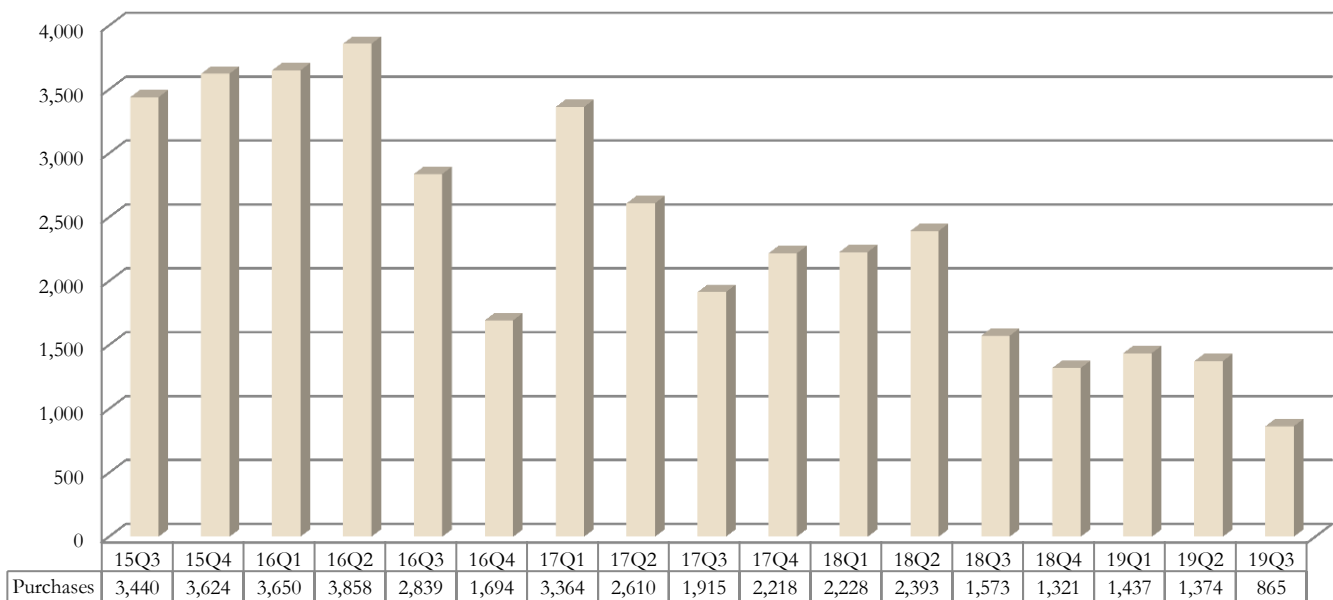
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties THIRD QUARTER 2019

Lender purchases, or real estate owned (REO) by the lender, (the final step in the foreclosure process that conveys property ownership back to lender) have experienced a year-over-year decline in Maryland for the seventh consecutive quarter. In the third quarter, there were 865 lender purchases, a decline of 45.0 percent since the same time last year and recording the lowest purchase level since the fourth quarter of 2012. Compared to activity in the second quarter of 2019, lender purchases fell in 19 jurisdictions and 37.0 percent statewide. The largest quarterly decrease was in Somerset County which fell by 76.9 percent to seven lender purchases. Year-over-year, lender purchases fell in all jurisdictions except Somerset County and remained unchanged in Kent County; the largest drop was in Garrett County with a 72.0 percent decrease. Decreases in lender purchases offers positive news for the housing market as it may be a sign of declining properties in the pipeline for lenders to return to inventory for sale.

In the current quarter, Baltimore County had the highest concentration in Maryland (Table 4) with 127 lender purchases or 14.7 percent of the total. Lender purchases in the county fell by 33.4 percent in the third quarter and by 36.2 percent over last year’s volume. Lender purchases in Prince George’s, which totaled 126, accounted for 14.6 percent of purchases statewide. Sales in the county decreased by 57.4 percent since last quarter and by 65.6 percent since the third quarter of 2018. Baltimore City, with 116 lender purchases (13.5 percent of the total), had the third-highest concentration in Maryland. Lender purchases in the city were down 35.5 percent from the preceding quarter and down 52.3 percent when compared with levels a year ago. Other jurisdictions with relatively large shares of lender purchases include Anne Arundel (80 purchases or 9.2 percent) and Montgomery (53 purchases or 6.1 percent). Together, these jurisdictions represented 58.1 percent of all lender purchases.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
THIRD QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
THIRD QUARTER 2019**

Jurisdiction	2019 Q3		% Change from	
	Number	% of Total	2019 Q2	2018 Q3
Allegany	21	2.4%	-52.1%	-39.2%
Anne Arundel	80	9.2%	-25.1%	-37.4%
Baltimore	127	14.7%	-33.4%	-36.2%
Baltimore City	116	13.5%	-35.5%	-52.3%
Calvert	26	2.9%	-4.7%	-5.3%
Caroline	14	1.7%	6.9%	-23.3%
Carroll	20	2.3%	-34.1%	-37.2%
Cecil	25	2.9%	56.3%	-3.8%
Charles	41	4.7%	79.2%	-23.9%
Dorchester	5	0.6%	-55.1%	-70.0%
Frederick	25	2.9%	-12.2%	-43.0%
Garrett	3	0.3%	-41.1%	-72.0%
Harford	36	4.2%	-43.2%	-50.4%
Howard	25	2.9%	-40.2%	-41.7%
Kent	5	0.6%	-4.5%	0.0%
Montgomery	53	6.1%	-59.6%	-40.6%
Prince George's	126	14.6%	-57.4%	-65.6%
Queen Anne's	6	0.7%	-51.4%	-65.9%
Somerset	7	0.8%	-76.9%	32.7%
St. Mary's	18	2.0%	-56.9%	-33.5%
Talbot	8	0.9%	-33.3%	-33.3%
Washington	43	4.9%	47.0%	-0.1%
Wicomico	22	2.5%	12.5%	-38.9%
Worcester	14	1.6%	-20.6%	-39.1%
Maryland	865	100.0%	-37.0%	-45.0%

Source: RealtyTrac and DHCD, Housing and Economic Research Office