



Property Foreclosure Events in Maryland

First Quarter 2024

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Executive Summary:

Real Estate Market Foreclosure Analysis

First Quarter 2024

This comprehensive report analyzes the foreclosure events in Maryland (Exhibit I and II – Statewide Foreclosure Events and Map) for the first quarter of 2024, focusing on Notices of Default, Notices of Foreclosure Sales, and Lender Purchases of Foreclosed Properties. The analysis provides valuable insights into county-level variations, quarterly changes, and yearly trends, emphasizing localized impacts and dynamic market conditions.

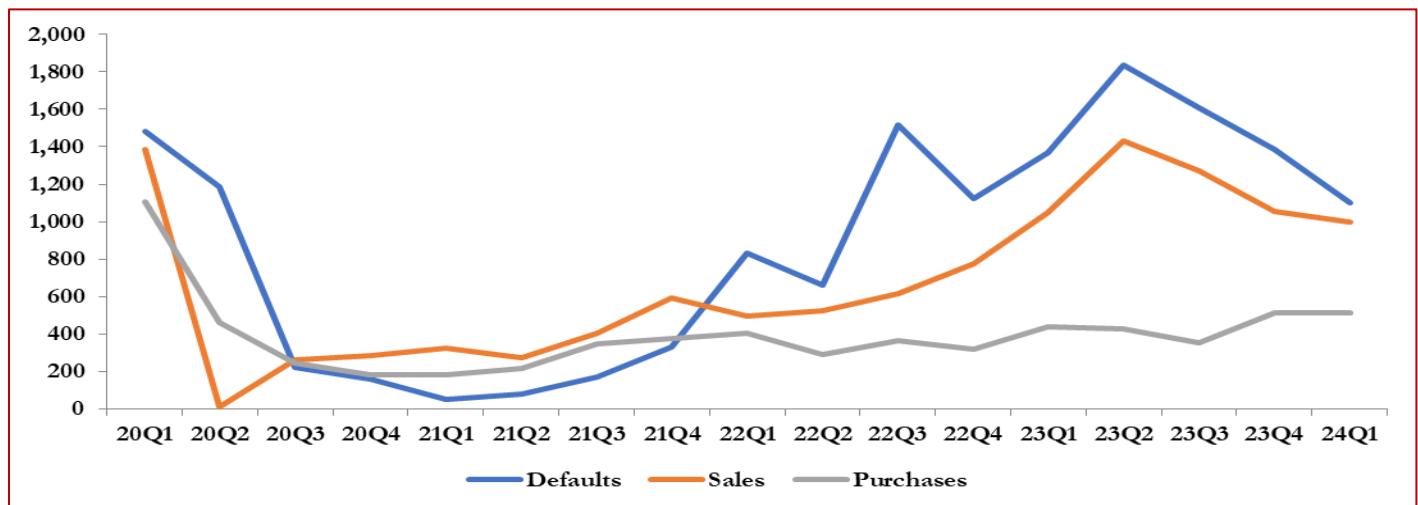
Foreclosure Events Overview

Key Findings:

- Notices of Default decreased by 20.4% statewide compared to the previous quarter with varied changes across counties.
- Notices of Foreclosure Sales exhibited modest fluctuations, inching up gradually from a COVID era level of 260 in 2020 Q3, peaking at 1,429 in 2023 Q2 and declining to 1,000 in the current quarter.
- Lender Purchases of Foreclosed Properties experienced a 0.6% increase from 2023 Q4 with significant county-level variations.

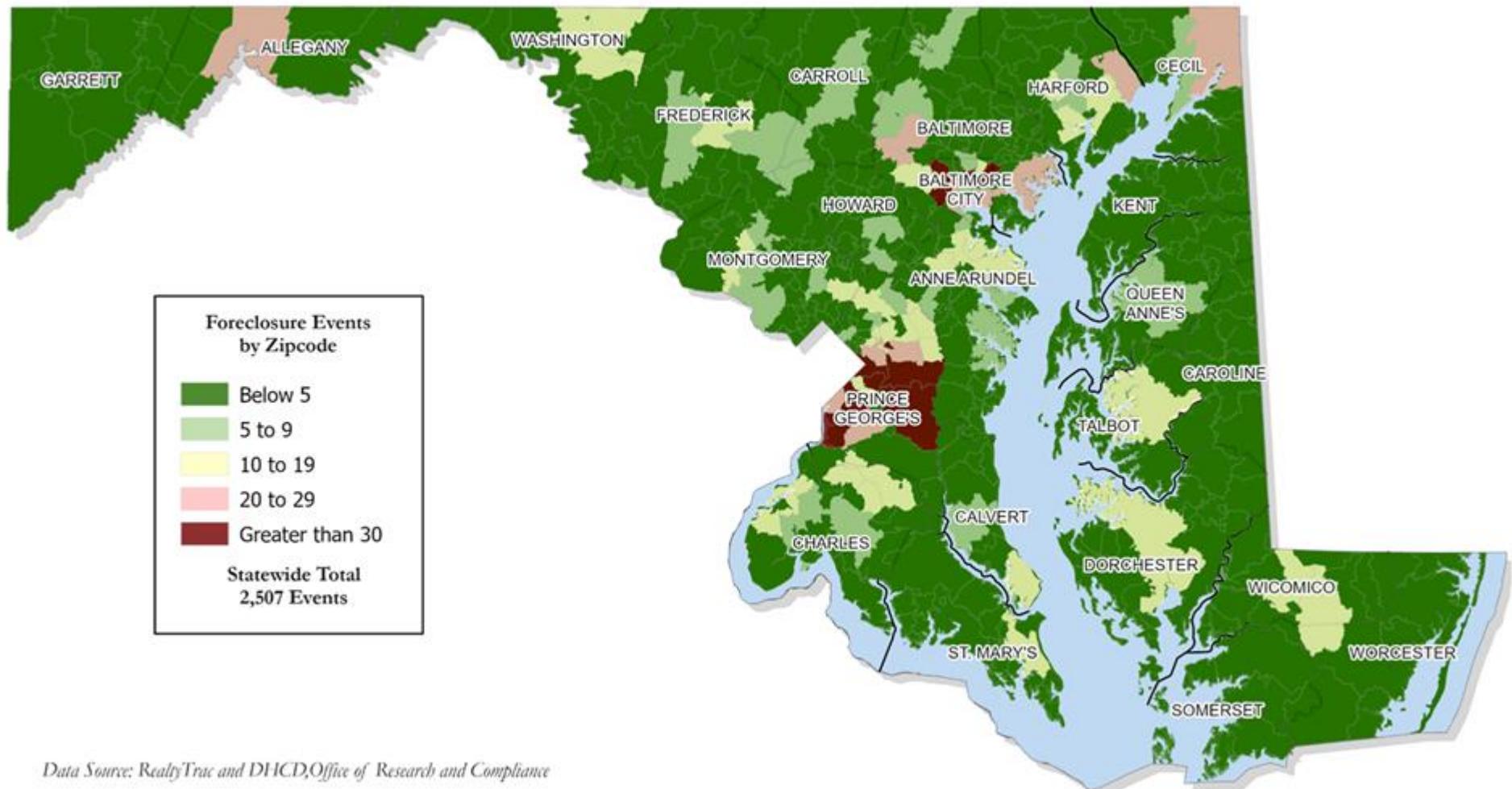
Foreclosure Events in Maryland (Exhibit I)

2020 – 2024

Source: Attom Data and DHCD, *Office of Research and Compliance*

Property Foreclosure Filings in Maryland (Exhibit II)

First Quarter 2024



Data Source: RealtyTrac and DHCD, Office of Research and Compliance

County-Level Analysis:

Notices of Default

- Default notices is the initial document filed by the lender to start the foreclosure process, also called the pre-foreclosure stage.
- **Prince George's County and Baltimore City** have the highest foreclosure events (329 and 156 respectively).
- Significant quarterly and yearly changes across jurisdictions.

Notices of Foreclosure Sales

- Foreclosure sales notices or judgment of sales notices are orders signed by a judge authorizing the sale of a property at a public auction.
- Baltimore City and Baltimore County lead in Notices of Foreclosure Sales (229 and 192 respectively).
- Varied quarterly changes and significant yearly trends, emphasizing localized impacts.

Lender Purchases of Foreclosed Properties

- Lender purchases or real estate owned (REO) by the lender is the final step in the foreclosure process that conveys property ownership back to the lender.
- Prince George's County dominates Lender Purchases (113), followed by Baltimore City (97).
- Diverse quarterly changes and dynamic yearly trends across counties.

Conclusion

This report provides a holistic view of foreclosure events, highlighting notable trends across various metrics and counties. Notices of Default have decreased by 20.4% statewide from the previous quarter, though the impact varies significantly across different regions. Notices of Foreclosure Sales have experienced modest fluctuations, rising from a low of 260 in 2020 Q3 to a peak of 1,429 in 2023 Q2, before declining to 1,000 in the current quarter. Lender Purchases of Foreclosed Properties saw a slight increase of 0.6% from 2023 Q4, with considerable variations at the county level. Prince George's County and Baltimore City consistently reported the highest numbers in both Notices of Default and Lender Purchases, highlighting significant localized impacts and dynamic trends in foreclosure activities.

Charts and Tables

Foreclosures in Maryland, Region and U.S.

Foreclosures in Maryland and U.S.:

State Level:

1. Notices of Default:

- There was a 20.4% decrease from the previous quarter and a 19.5% decrease from the same quarter last year.

2. Notices of Sales:

- Declined by 5.2% from the last quarter and declined by 4.5% compared to the same quarter in the previous year.

3. Lender Purchases:

- Witnessed a marginal 0.6% increase from the last quarter and a 16.8% increase compared to the same quarter last year.

4. Properties with Foreclosure Filings:

- Showed a 10.8% decrease from the last quarter and a similar 10.7% drop from the same quarter in the previous year.

U.S. Level:

1. Notices of Default:

- Experienced a 6.5% increase from the previous quarter and similarly a 6.7% increase from the same quarter last year.

2. Notices of Sales:

- Saw a slight 2.4% decrease from the last quarter and a marginal 0.3% increase from the same quarter in the previous year.

3. Lender Purchases:

- Marked a 7.0% increase from the last quarter and a noteworthy 24.1% drop compared to the same quarter last year.

4. Properties with Foreclosure Filings:

- Showed a 2.3% increase from the last quarter and a marginal 0.1% decrease from the same quarter in the previous year.

Table 1a: Foreclosures in Maryland – 2024 Q1

Indicator	Notices of Default	Notices of Sale	Lender Purchases	Properties with Foreclosure Filings*
Number of Events	1,103	1,000	514	2,507
Change (Last Quarter)	-20.4%	-5.2%	0.6%	-10.8%
Change (Last Year)	-19.5%	-4.5%	16.8%	-10.7%

*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.

Table 1b: Foreclosures in US – 2024 Q1

Indicator	Notices of Default	Notices of Sale	Lender Purchases	Properties with Foreclosure Filings*
Number of Events	43,301	45,733	10,052	95,597
Change (Last Quarter)	6.5%	-2.4%	7.0%	2.3%
Change (Last Year)	6.7%	0.3%	-24.1%	-0.1%

*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.

In summary, the state-level data indicates more uniformity in foreclosure events. On the U.S. level, there is a mixed trend with varying changes in foreclosure events, with noticeable drop in Lender Purchases. The overall trend suggests a nuanced foreclosure landscape with regional disparities.

Foreclosure Events in Maryland:

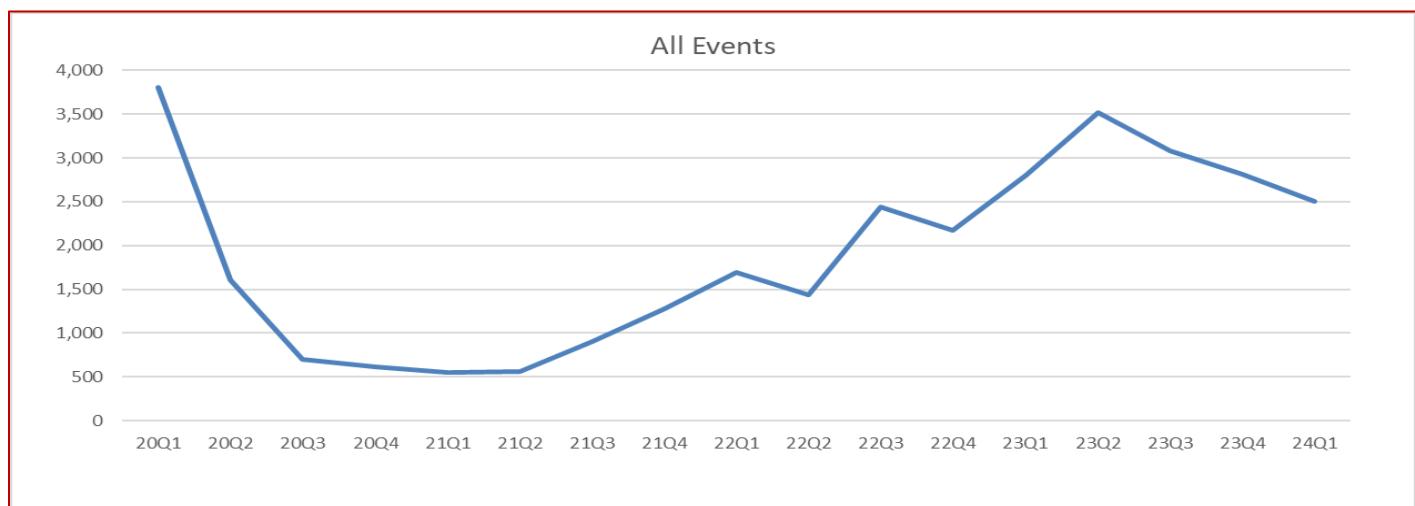
Overall Trend:

- There is a noticeable decline in foreclosure activity over time, especially evident from 2020 onwards – the COVID period. This trend changes and continues gradually up post-COVID to the most recent data available in 2024 Q1
- **Quarterly Fluctuations:** While there is an overall downward trend in the COVID era, there are fluctuations from quarter to quarter over the years. For instance,

there are peaks and troughs in different quarters across the years. This indicates that there may be seasonal or cyclical factors influencing foreclosure activity.

- **Stabilization and Rebound:** After the sharp decrease in foreclosure events during 2020 (particularly in the second and third quarters), there seems to be a stabilization and subsequent rebound in foreclosure activity starting from 2021. This rebound continues through 2022 and into 2024 Q1, albeit with some variability.
- **Notable Increase in 2022:** There is a substantial increase in foreclosure activity starting from the first quarter of 2022, with a notable peak in the third quarter of the same year. This suggests a potential shift in market conditions or economic factors (post-COVID era) impacting foreclosure rates.

Chart 1: Foreclosure Events in Maryland



Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, the data (in Table 1a, Table 1b, Chart 1) illustrates a trend in foreclosure activity over time influenced by the COVID era, with some fluctuations between quarters and notable increases in certain periods, particularly in 2022 through 2023 Q2. There has been a gradual drop since into the current quarter (2024 Q1). This suggests a complex interplay of economic, market, and possibly policy-related factors influencing foreclosure rates over the observed period.

Foreclosure Rates and Rankings in the Region:

1. Delaware & Maryland:

- Foreclosure rate: 12.5% and 10.4% respectively (Ranked 2nd and 7th nationally).
- Both surpass the U.S. average (7.2%).

2. Pennsylvania:

- Foreclosure rate: 6.7% (Ranked 18th nationally).
- Moderate impact compared to other states.

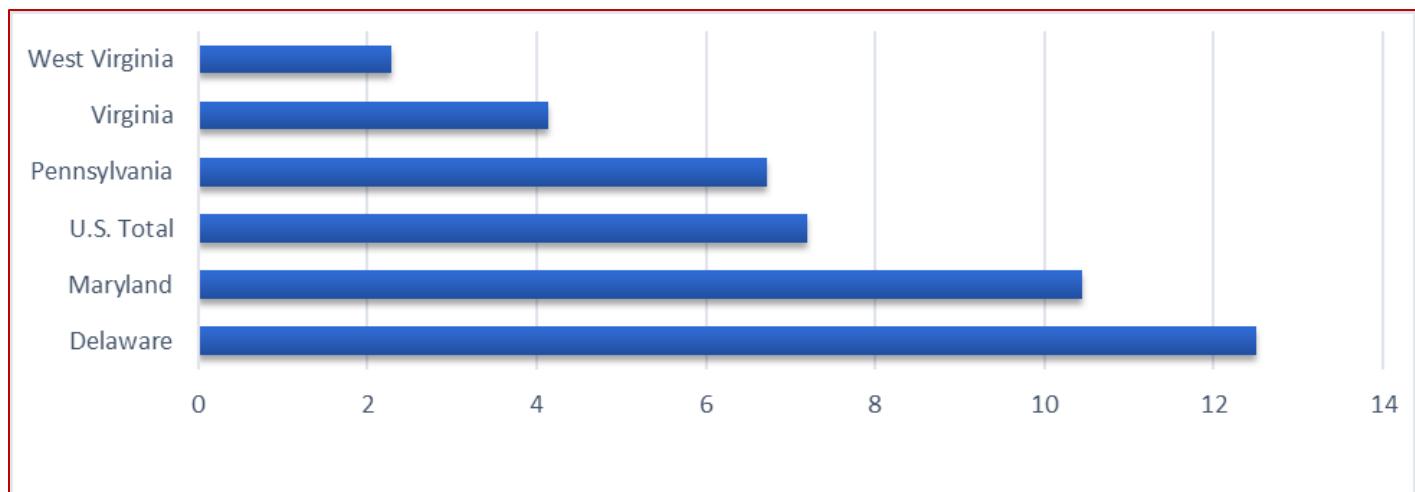
3. Virginia:

- Foreclosure rate: 4.1% (Ranked 33rd nationally).
- Lower impact nationally.

4. West Virginia:

- Lowest regional rate at 2.3% (Ranked 47th nationally).
- Minimal foreclosure impact.

Chart 2: Foreclosure Rates in the Region



Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, Chart 2 shows Delaware and Maryland have higher foreclosure rates, surpassing the national average. Pennsylvania follows with a moderate rate, while Virginia and West Virginia exhibit comparatively lower rates, with West Virginia having the least impact nationally.

Stages of Foreclosure Activity in Maryland

Foreclosure Activity in Maryland:

1. Notices of Defaults:

- Decreased from 2023 Q4 (1,386) to 1,103.
- Overall downward trend from 2023 Q2 (1,838).

2. Foreclosure Sales:

- Dropped from 1,055 in 2023 Q4 to 1,000 in Q1.
- Consistent decrease from 1,429 since 2023 Q2.

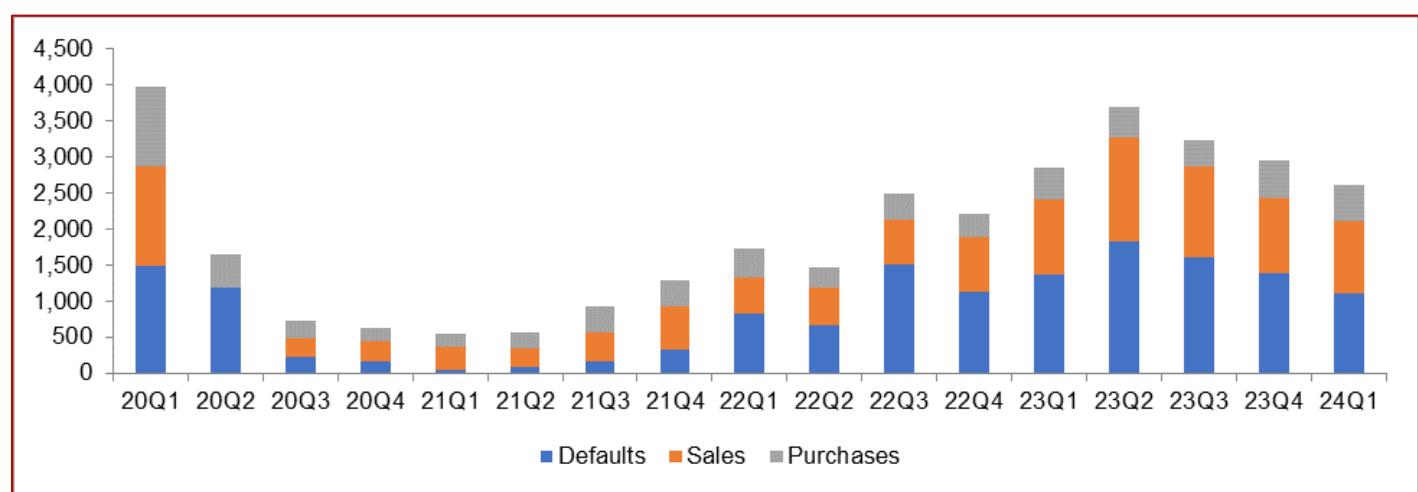
3. Lender Purchases:

- Slight increase from 511 in 2023 Q4 to 514 in Q1.
- Fluctuations observed over previous four quarters, with Q1 having the highest count.

4. All Foreclosure Events:

- Decreased from 2,810 in 2023 Q4 to 2,507 in Q1.
- Overall trend shows moderation despite fluctuations.

Chart 3: Stages of Foreclosure Activity in Maryland



Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, Chart 3 show Q1 compared to 2023 Q4 reflects a decline in foreclosure activity, mainly driven by reductions in Notices of Defaults and Foreclosure Sales. Despite fluctuations, there is an overall trend of moderation in foreclosure activity.

Property Foreclosure Activity in Maryland

Property Foreclosure Events in Maryland:

Property foreclosure events include notices of default; notices of foreclosure sales or auctions; and lender purchases of foreclosed properties (REO).

1. **Jurisdictional Variation:**

- Significant variations in foreclosure events across jurisdictions.
- Highest events observed in Prince George's County (573) and Baltimore City (476).

2. **County Share:**

- County share ranges from 0.3% (Garrett) to 22.9% (Prince George's), emphasizing localized impacts.

3. **Quarterly Changes:**

- Overall, a 10.8% decrease in total foreclosure events compared to 2023 Q4.
- Varied quarter-to-quarter changes across jurisdictions, with notable increases in Kent County (66.8%) and decreases in Garrett County (-49.1%).

4. **Yearly Trends:**

- Compared to 2023 Q1, a 10.7% decrease in total foreclosure events statewide.
- Some counties experiencing significant year-over-year changes, such as Somerset County (76.5% increase) and Anne Arundel County (50.5% decrease).

Table 2: Property Foreclosure Events in Maryland – 2024 Q1

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total* Events	Total* County Share	% Change in Total* from 2023 Q4	% Change in Total* from 2023 Q1
Allegany	17	13	12	38	1.5%	6.9%	28.0%
Anne Arundel	72	52	43	160	6.4%	-18.8%	-50.5%
Baltimore	145	192	52	376	15.0%	-15.0%	-9.3%
Baltimore City	156	229	97	476	19.0%	-13.6%	37.7%
Calvert	18	24	13	54	2.2%	-3.5%	-31.4%
Caroline	8	7	2	17	0.7%	-23.9%	-11.3%
Carroll	23	21	8	50	2.0%	-3.2%	-18.7%
Cecil	22	16	16	49	2.0%	-19.7%	-14.0%
Charles	35	31	18	82	3.3%	-32.1%	-34.3%
Dorchester	7	11	8	22	0.9%	-42.3%	-16.4%
Frederick	37	21	12	70	2.8%	10.5%	-21.4%
Garrett	4	1	3	8	0.3%	-49.1%	-23.5%
Harford	32	49	35	112	4.5%	0.1%	9.0%
Howard	24	17	10	49	2.0%	-7.4%	-33.9%
Kent	3	5	7	13	0.5%	66.8%	3.2%
Montgomery	79	60	24	153	6.1%	-15.5%	-25.2%
Prince George's	329	169	113	573	22.9%	-2.1%	-8.7%
Queen Anne's	10	14	1	25	1.0%	-1.6%	21.4%
Somerset	5	4	3	11	0.4%	-27.2%	76.5%
St. Mary's	18	21	11	47	1.9%	-17.5%	-5.1%
Talbot	5	8	3	16	0.6%	7.5%	14.2%
Washington	26	16	10	50	2.0%	-15.4%	11.7%
Wicomico	23	16	11	44	1.8%	22.4%	-5.3%
Worcester	7	2	4	13	0.5%	30.1%	-45.0%
Maryland	1,103	1,000	514	2,507	100.0%	-10.8%	-10.7%

*The sum of the three stages of foreclosure may exceed the total. Total number of foreclosures represents unique properties.

Source: Attom Data and DHCD, *Office of Research and Compliance*

To summarize, Table 2 emphasizes the localized effects with diverse shifts in foreclosure occurrences across different counties. It shows a consistent quarterly and annual decrease in trend. Although Notices of Default

and Foreclosure Sales are generally on the decline, there has been a rise in completed Lender Purchases. This varied activity highlights the need for diligent observation of these trends to grasp the evolving dynamics within the real estate sector. Nonetheless, despite this trend, there is an anticipation of a gradual increase in activity, eventually returning to pre-pandemic figures as lenders work through their backlogs.

Notices of Default in Maryland:

Notices of Default are the initial document filed by the lender to start the foreclosure process, also called the pre-foreclosure stage.

1. County Variations:

- Significant variations in Notices of Default across jurisdictions.
- **Prince George's County** has the highest share at 29.8%, followed by **Baltimore City** (14.1%).

2. Quarterly Changes:

- Statewide, a 20.4% decrease in Notices of Default from 2023 Q4.
- Varied changes across counties, with notable increases in Wicomico County (28.7%) and Worcester County (20.0%).

3. Yearly Trends:

- Compared to 2023 Q1, a 19.5% decrease in statewide Notices of Default.
- Somerset County experienced a substantial 168.8% increase from 2023 Q1.

4. Percentage Share:

- County shares range from 0.2% (Kent) to 29.8% (Prince George's), emphasizing localized impacts.

Table 3: Notices of Default – 2024 Q1

Jurisdiction	2024 Q1 Defaults	2024 Q1 % of Total	% Change from 2023 Q4	% Change from 2023 Q1
Allegany	17	1.6%	1.5%	42.5%
Anne Arundel	72	6.5%	-24.1%	-46.1%
Baltimore	145	13.2%	-32.0%	-34.0%
Baltimore City	156	14.1%	-35.7%	9.7%
Calvert	18	1.6%	-11.3%	-37.9%
Caroline	8	0.8%	-2.5%	-6.7%
Carroll	23	2.0%	-1.3%	-25.6%
Cecil	22	2.0%	-15.4%	-24.1%
Charles	35	3.2%	-33.4%	-28.2%
Dorchester	7	0.6%	-41.9%	-45.2%
Frederick	37	3.3%	3.2%	-16.2%
Garrett	4	0.4%	-36.8%	-22.3%
Harford	32	2.9%	-31.3%	-45.6%
Howard	24	2.2%	-14.0%	16.7%
Kent	3	0.2%	-21.3%	-43.4%
Montgomery	79	7.2%	-17.8%	-26.6%
Prince George's	329	29.8%	-11.8%	-10.6%
Queen Anne's	10	0.9%	18.9%	-2.1%
Somerset	5	0.4%	-4.0%	168.8%
St. Mary's	18	1.6%	-18.1%	-0.3%
Talbot	5	0.5%	2.6%	-26.7%
Washington	26	2.4%	8.0%	3.8%
Wicomico	23	2.1%	28.7%	10.0%
Worcester	7	0.6%	20.0%	-53.7%
Maryland	1,103	100%	-20.4%	-19.5%

Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, Table 3 highlights the localized impacts, varied quarterly changes, and differing annual trends in Notices of Mortgage Loan Default across counties. Despite an overall decrease both quarterly and annually, areas such as Baltimore City, Frederick, Howard, Queen Anne's, Somerset, Talbot, and Worcester Counties exhibit notable fluctuations.

Notices of Foreclosure Sales in Maryland:

Foreclosure sales notices or judgment of sales notices are orders signed by a judge authorizing the sale of a property at a public auction.

1. County Variations:

- Significant variations in Notices of Sales across jurisdictions.
- Baltimore City and Baltimore County have the highest shares at 22.9% and 19.2%, respectively.

2. Quarterly Changes:

- Statewide, a 5.2% decrease in Notices of Foreclosure Sales from 2023 Q4.
- Varied changes across counties, with notable increases in Talbot (60.0%) and decreases in Garrett (-72.9%).

3. Yearly Trends:

- Compared to 2023 Q1, a 4.5% decrease in statewide Notices of Foreclosure Sales.
- Some counties experiencing significant year-over-year changes, such as Talbot County (93.7%) and Garrett County (-69.1%).

4. Percentage Share:

- County shares range from 0.1% (Garrett) to 22.9% (Baltimore City), highlighting localized impacts.

Table 4: Notices of Foreclosure Sales – 2024 Q1

Jurisdiction	2024 Q1 Sales	2024 Q1 % of Total	% Change from 2023 Q4	% Change from 2023 Q1
Allegany	13	1.3%	14.8%	0.2%
Anne Arundel	52	5.2%	-24.1%	-41.6%
Baltimore	192	19.2%	-1.4%	35.9%
Baltimore City	229	22.9%	-12.7%	51.5%
Calvert	24	2.4%	-0.7%	-43.4%
Caroline	7	0.7%	0.0%	26.7%
Carroll	21	2.1%	-2.7%	-17.2%
Cecil	16	1.6%	-36.0%	-27.3%
Charles	31	3.1%	-29.1%	-37.0%
Dorchester	11	1.1%	-41.1%	-9.3%
Frederick	21	2.1%	2.0%	-37.8%
Garrett	1	0.1%	-72.9%	-69.1%
Harford	49	4.9%	-0.9%	58.4%
Howard	17	1.7%	-0.9%	-57.0%
Kent	5	0.5%	31.0%	-24.7%
Montgomery	60	6.0%	0.1%	-23.1%
Prince George's	169	16.9%	15.3%	-26.6%
Queen Anne's	14	1.4%	15.0%	91.6%
Somerset	4	0.4%	23.8%	57.6%
St. Mary's	21	2.1%	-8.7%	-2.6%
Talbot	8	0.8%	60.0%	93.7%
Washington	16	1.6%	-16.7%	24.7%
Wicomico	16	1.6%	53.1%	-11.1%
Worcester	2	0.2%	58.0%	-54.9%
Maryland	1,000	100.0%	-5.2%	-4.5%

Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, Table 4 highlights the varied impacts at the county level, with both quarterly and year-over-year variations in Notices of Foreclosure Sales throughout the state. There is a general trend of decline both quarterly and annually. However, despite this downward trend, regions including Baltimore City, Baltimore, Frederick, Harford, Kent, Montgomery, Prince George's, Washington, Wicomico, and Worcester Counties show significant fluctuations.

Lender Purchases of Foreclosed Properties in Maryland:

Lender purchases or real estate owned (REO) by the lender is the final step in the foreclosure process that conveys property ownership back to the lender.

1. County Variations:

- Significant variations in Lender Purchases across jurisdictions.
- Prince George's County has the highest share at 21.9%, followed by Baltimore City (18.8%).

2. Quarterly Changes:

- Statewide, a 0.6% marginal increase in Lender Purchases from 2023 Q4.
- Varied changes across counties, with notable increases in Kent (381.7%) and decreases in Queen Anne's (-79.9%).

3. Yearly Trends:

- Compared to 2023 Q1, a 16.8% increase in statewide Lender Purchases.
- Significant year-over-year changes in some counties, such as Kent County (307.1%) and Garrett County (233.3%).

4. Percentage Share:

- County shares range from 0.2% (Queen Anne's) to 21.9% (Prince George's), emphasizing localized impacts.

Table 5: Lender Purchases of Foreclosed Properties – 2024 Q1

Jurisdiction	2024 Q1 Purchases	2024 Q1 % of Total	% Change from 2023 Q4	% Change from 2023 Q1
Allegany	12	2.2%	29.1%	119.0%
Anne Arundel	43	8.4%	-1.8%	-59.1%
Baltimore	52	10.1%	-18.8%	-6.6%
Baltimore City	97	18.8%	3.4%	74.7%
Calvert	13	2.6%	3.2%	49.0%
Caroline	2	0.4%	-72.1%	-60.0%
Carroll	8	1.5%	-23.0%	41.5%
Cecil	16	3.1%	60.0%	128.6%
Charles	18	3.4%	-33.6%	-32.4%
Dorchester	8	1.6%	4.4%	175.0%
Frederick	12	2.2%	10.2%	10.0%
Garrett	3	0.5%	-50.9%	233.3%
Harford	35	6.8%	84.6%	150.3%
Howard	10	1.9%	-17.0%	-31.0%
Kent	7	1.3%	381.7%	307.1%
Montgomery	24	4.6%	-14.2%	9.4%
Prince George's	113	21.9%	25.9%	87.0%
Queen Anne's	1	0.2%	-79.9%	-65.1%
Somerset	3	0.7%	-57.1%	70.5%
St. Mary's	11	2.1%	-16.6%	0.0%
Talbot	3	0.6%	-40.0%	0.0%
Washington	10	1.9%	-40.4%	12.1%
Wicomico	11	2.2%	15.4%	42.9%
Worcester	4	0.8%	33.8%	-1.7%
Maryland	514	100.0%	0.6%	16.8%

Source: Attom Data and DHCD, *Office of Research and Compliance*

In summary, Table 5 highlights the varied impacts at the county level, the fluctuations within quarters, and the differing annual trends in Lender Purchases of Foreclosed Properties throughout the state. Although there is a general trend of increase both quarterly and annually, Carroll, Garrett, Montgomery, Somerset, St. Mary's, Talbot, Washington, and Worcester Counties show notable variations.