



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2018

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FIRST QUARTER 2018

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Property Foreclosure Events in Maryland

FIRST QUARTER 2018

Executive Summary

First 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, increased 4.1 percent to 189,870 events after four consecutive quarterly declines. Compared with the first quarter of 2017, foreclosure events continued to show significant year-over-year declines, falling 19.0 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, inched up from 13.7 in the previous quarter to 14.3 in the current quarter. Nationally, foreclosure activity dropped in 19 states and in the District of Columbia but increased in the other 29 states. There was no change in the state of New York. The top five increases were in Alaska, Florida, Georgia, Louisiana and Texas, while the greatest declines were in California, Colorado, Idaho, Massachusetts and Rhode Island. Compared with the same quarter in 2017, total foreclosure events declined in 43 states but increased in Alaska, Indiana, Iowa, Kentucky, Minnesota, Nebraska and in the District of Columbia.

In Maryland foreclosure events fell 5.5 percent from the preceding quarter to 6,286 events. Compared to the same quarter last year, Maryland's foreclosure activity dropped 25.7 percent. This represents the eighth consecutive quarterly declines and the lowest foreclosure event level since third quarter of 2012 (Exhibits 1 and 2).

New foreclosure filings in Maryland experienced a 16.6 percent decline to 2,384 events in the first quarter, but continued to decline compared with last year's volume for the 16th consecutive quarter, down 17.3 percent from year ago levels. Foreclosure sales fell moderately by 2.4 percent from the prior quarter, and a 19.8 percent decline from the same quarter last year. Lender purchases experienced the lower growth levels with 0.5 percent increase compared with 15.8 percent in the preceding quarter. Compared with year ago levels, investor sales fell 33.8 percent. Steady increases in lender purchases combined with declines in new foreclosure filings continue to point to increased confidence in the market as lenders continue to clear the pipeline.

Maryland's foreclosure rate improved 1.5 foreclosures per 10,000 households to 26.2 in the first quarter of 2018. Maryland's ranking remained among the top five states with the highest foreclosure rates nationwide, along with Delaware, Illinois, New Jersey and South Carolina. The State's foreclosure rate was 83.2 percent above the U.S. rate of 14.3 in the first quarter.

Among the neighboring states, Delaware remained unchanged at the 2nd highest in the current quarter. Pennsylvania's ranking was unchanged with the 12th highest. Virginia's ranking was also unchanged from the prior quarter at the 25th 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 reports are used interchangeably.

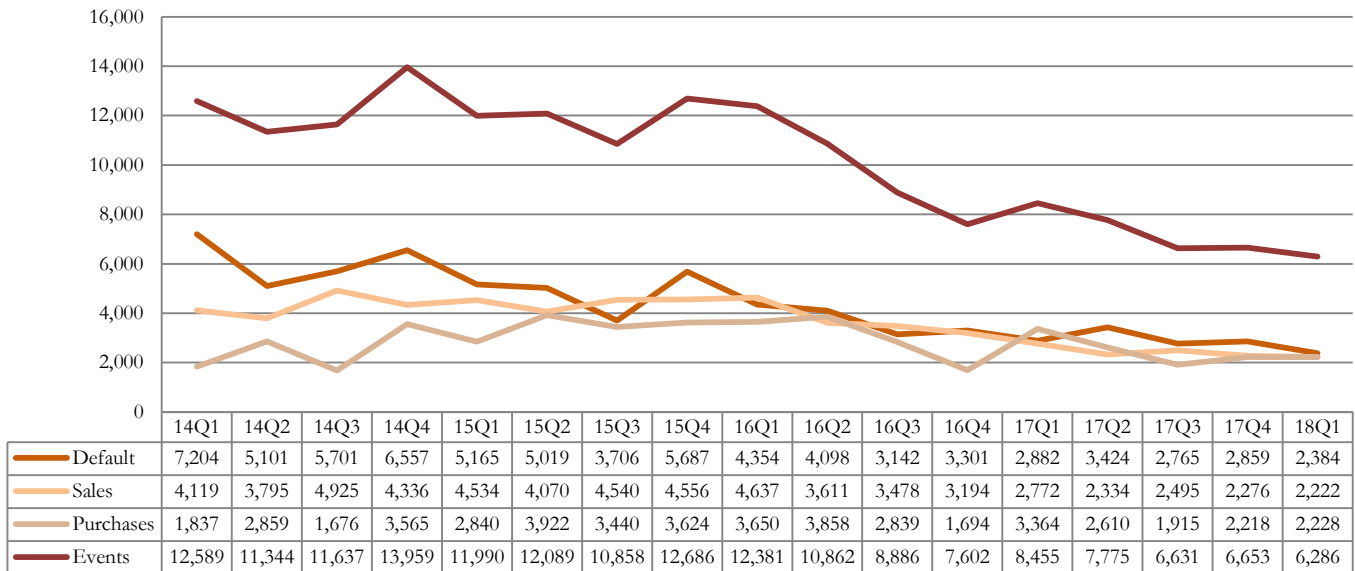
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FIRST QUARTER 2018

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	2,384	2,222	2,228	6,286
Change (Last Quarter)	-16.6%	-2.4%	0.5%	-5.5%
Change (Last Year)	-17.3%	-19.8%	-33.8%	-25.7%
<i>U.S.</i>				
Number of Events	64,218	75,401	65,413	189,870
Change (Last Quarter)	5.7%	6.0%	-1.6%	4.1%
Change (Last Year)	-13.6%	-9.4%	-27.8%	-19.0%

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.

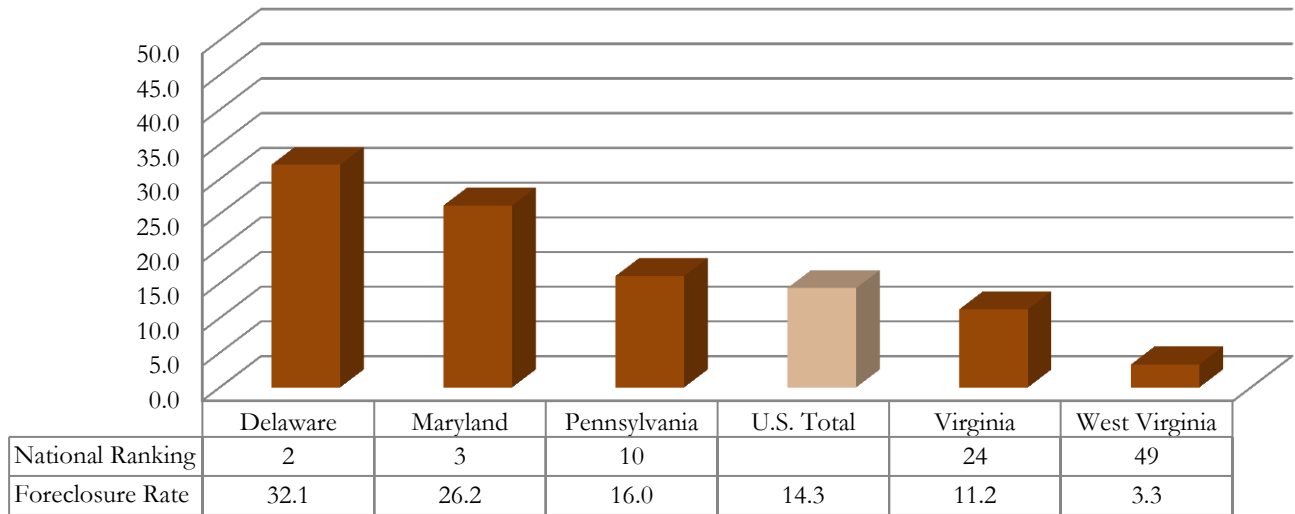
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



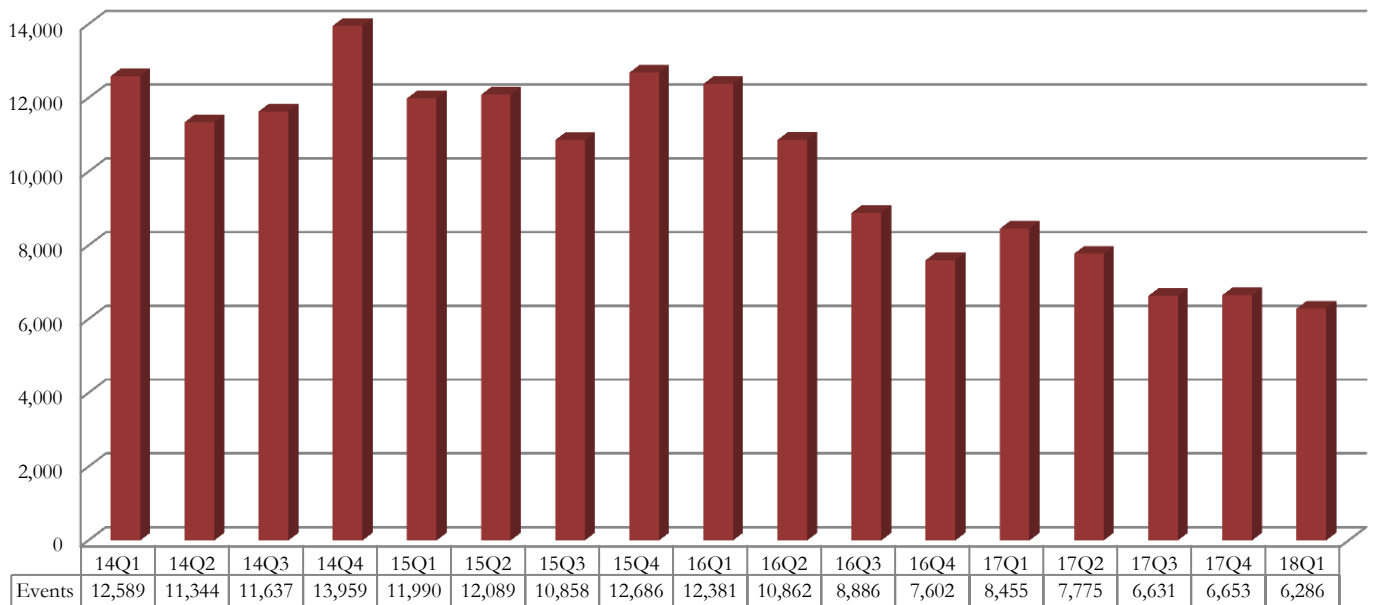
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of first quarter foreclosure events in Maryland jurisdictions. Foreclosure activity declined in 19 jurisdictions from year ago levels with the exception of Allegany, Queen Anne's, St. Mary's, Talbot and Wicomico counties. Compared to the preceding quarter, foreclosure events increased in 17 Maryland jurisdictions and declined in the other seven. The highest increase was in Talbot County and the largest decline was in Cecil County in the first quarter of 2018.

Prince George's County with 1,499 events had the largest share of foreclosures statewide, accounting for 23.8 percent of the total. Foreclosure activity in the county fell 4.6 percent below the previous quarter and by 0.5 percent from the year prior. Baltimore City experienced a 5.2 percent decline in the first quarter to 1,149 filings, accounting for 18.3 percent of the statewide share. On an annual basis, the City's foreclosures fell 26.8 percent below prior year levels. Baltimore County with 1,045 events, or 16.6 percent of the total, had the third highest share in Maryland. Foreclosures in this county grew 6.9 percent above the last quarter, and declined by 27.7 percent from one year ago.

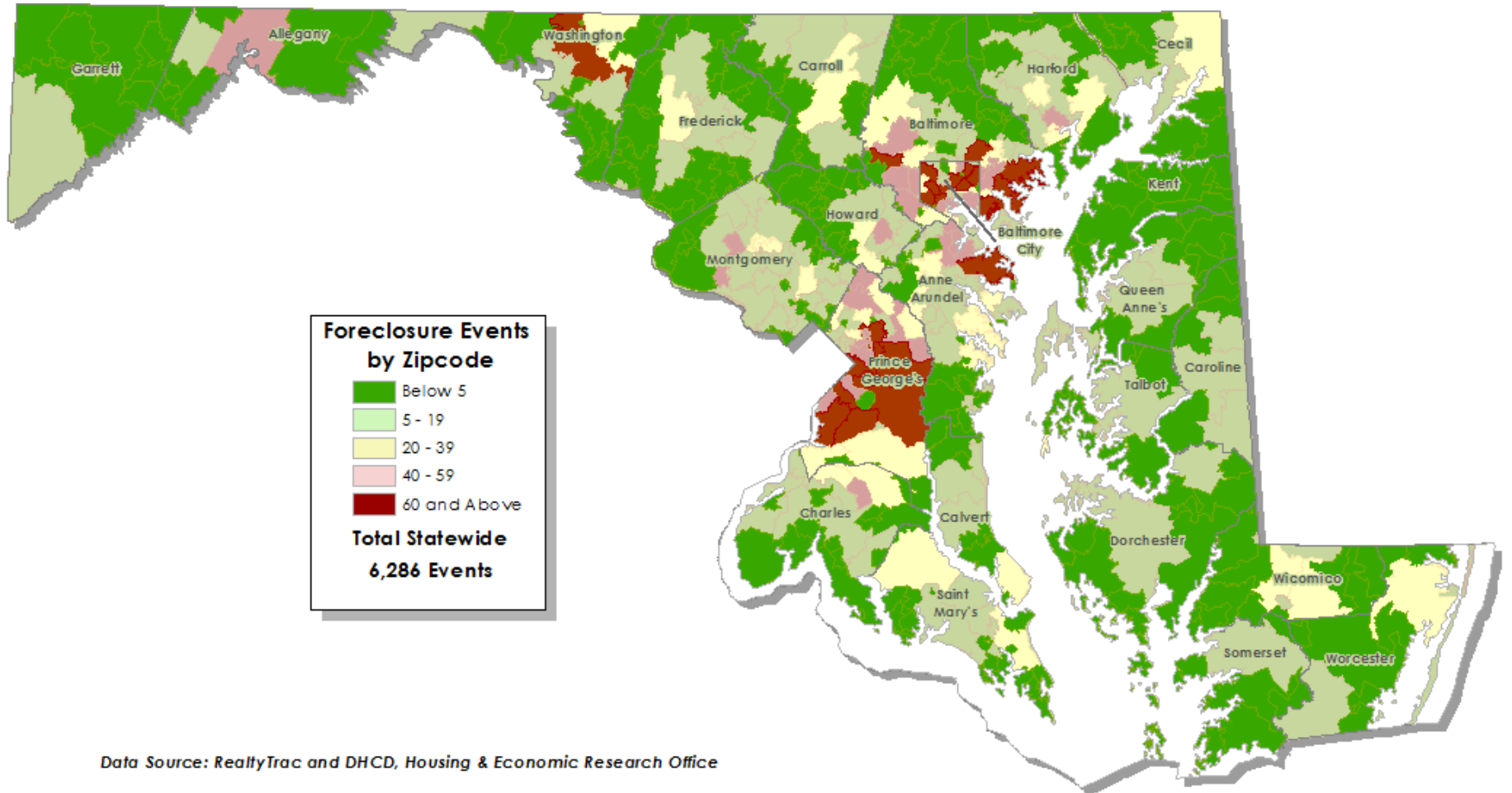
Other counties with a large share of foreclosure events include Anne Arundel (547 events or 8.7 percent), Montgomery (390 properties or 6.2 percent of the total), Harford (252 events or 4.0 percent), Howard (178 events or 2.8 percent), Charles (171 events or 2.7 percent), Washington (145 events or 2.3 percent), and Frederick counties (127 events or 2.0 percent). These ten jurisdictions represented 87.5 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2018

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2017 Q4	2017 Q1
Allegany	12	23	37	68	1.1%	12.5%	9.2%
Anne Arundel	236	195	164	547	8.7%	-6.8%	-16.4%
Baltimore	528	352	276	1,045	16.6%	6.9%	-27.7%
Baltimore City	495	358	405	1,149	18.3%	-5.2%	-26.8%
Calvert	0	38	45	80	1.3%	6.6%	-46.1%
Caroline	1	18	14	30	0.5%	21.0%	-19.2%
Carroll	37	32	36	97	1.5%	-23.4%	-41.8%
Cecil	0	32	34	62	1.0%	-40.4%	-13.9%
Charles	2	89	90	171	2.7%	12.5%	-46.0%
Dorchester	0	11	19	30	0.5%	-18.1%	-29.9%
Frederick	3	65	64	127	2.0%	-12.4%	-56.2%
Garrett	0	8	6	14	0.2%	-37.9%	-49.5%
Harford	71	127	83	252	4.0%	-14.0%	-45.6%
Howard	88	55	49	178	2.8%	8.8%	-30.7%
Kent	3	5	6	12	0.2%	-34.4%	-45.8%
Montgomery	116	182	124	390	6.2%	-14.7%	-45.3%
Prince George's	607	476	538	1,499	23.8%	-4.6%	-0.5%
Queen Anne's	18	13	27	53	0.8%	-20.8%	0.6%
Somerset	10	5	10	24	0.4%	-36.4%	-13.6%
St. Mary's	33	34	45	107	1.7%	-10.7%	13.4%
Talbot	9	8	30	45	0.7%	80.1%	29.3%
Washington	49	53	57	145	2.3%	-24.9%	-39.6%
Wicomico	39	29	50	107	1.7%	-6.6%	7.5%
Worcester	28	14	19	55	0.9%	-21.5%	-51.5%
Maryland	2,384	2,222	2,228	6,286	100.0%	-5.5%	-25.7%

*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
FIRST QUARTER 2018**



Notices of Mortgage Loan Default

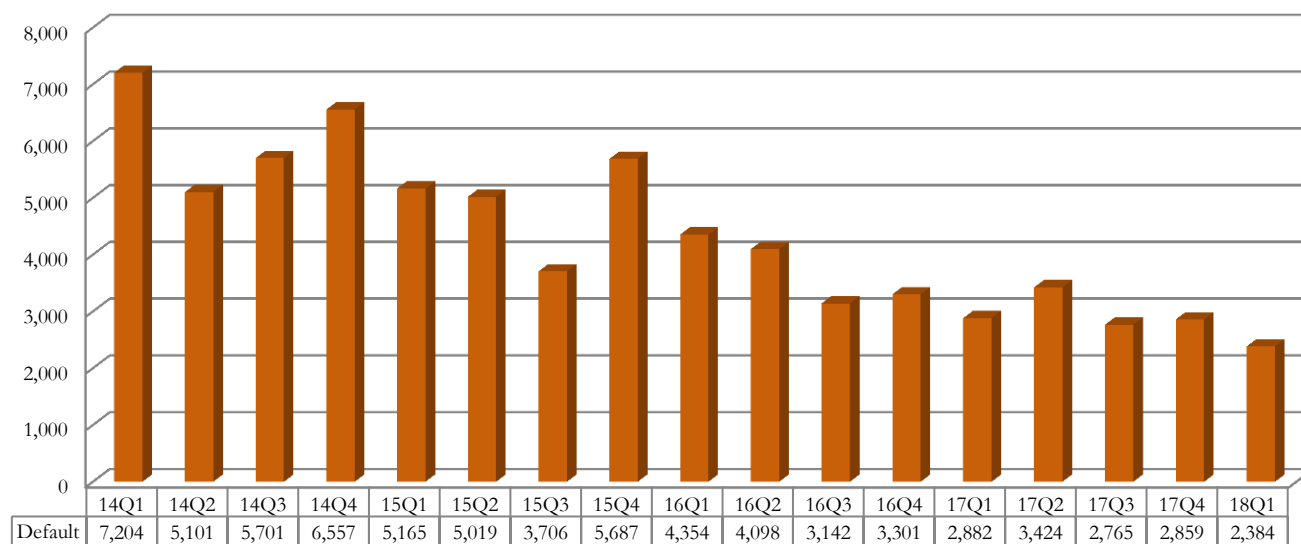
FIRST QUARTER 2018

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 16.6 percent to 2,384 filings in the first quarter (Chart 3). Compared to last year, new foreclosure filings continued to decline by 17.3 percent, recording the sixteenth consecutive quarter of year over year declines (Table 2). Eighteen Maryland jurisdictions recorded year over year quarterly declines, five counties experienced increases between 3.3 percent and 64.6 percent. There were no notices of default in Cecil County.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 25.5 percent of all filings statewide or 607 notices (Table 2). The county’s default notices decreased 9.2 percent from the previous quarter and by 1.8 percent below last year’s volume. Baltimore County, with 528 default notices (22.1 percent of the total), had the second highest number of defaults in Maryland. The County’s new defaults increased 17.5 percent from the preceding quarter levels, and by 20.4 percent above last year levels. Baltimore City, with 495 default notices, or 20.7 percent of the total, had the third highest number of notices. Baltimore City’s default notices declined 15.6 percent from the previous quarter, but inched up 3.3 percent above last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (236 default notices, or 9.9 percent of the total). Montgomery County had the fifth largest share with 116 notices or a 4.9 percent share. Together, these jurisdictions represented 83.1 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT

FIRST QUARTER 2018



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2018

Jurisdiction	2018 Q1		% Change from	
	Number	% of Total	2017 Q4	2017 Q1
Allegany	12	0.5%	-47.3%	-62.7%
Anne Arundel	236	9.9%	-25.0%	-1.2%
Baltimore	528	22.1%	17.5%	20.4%
Baltimore City	495	20.7%	-15.6%	3.3%
Calvert	0	0.0%	n/a	-99.0%
Caroline	1	0.1%	150.0%	64.6%
Carroll	37	1.6%	-34.9%	-41.2%
Cecil	0	0.0%	n/a	n/a
Charles	2	0.1%	-36.8%	-98.3%
Dorchester	0	0.0%	n/a	-100.0%
Frederick	3	0.1%	-91.4%	-97.0%
Garrett	0	0.0%	-100.0%	-100.0%
Harford	71	3.0%	-53.7%	-43.9%
Howard	88	3.7%	5.1%	9.6%
Kent	3	0.1%	34.3%	30.6%
Montgomery	116	4.9%	-48.7%	-50.0%
Prince George's	607	25.5%	-9.2%	-1.8%
Queen Anne's	18	0.7%	-16.7%	-19.2%
Somerset	10	0.4%	-19.7%	-36.0%
St. Mary's	33	1.4%	-48.4%	-31.6%
Talbot	9	0.4%	-35.7%	-10.0%
Washington	49	2.0%	-31.8%	-43.6%
Wicomico	39	1.6%	2.0%	-25.3%
Worcester	28	1.2%	35.6%	-29.9%
Maryland	2,384	100.0%	-16.6%	-17.3%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

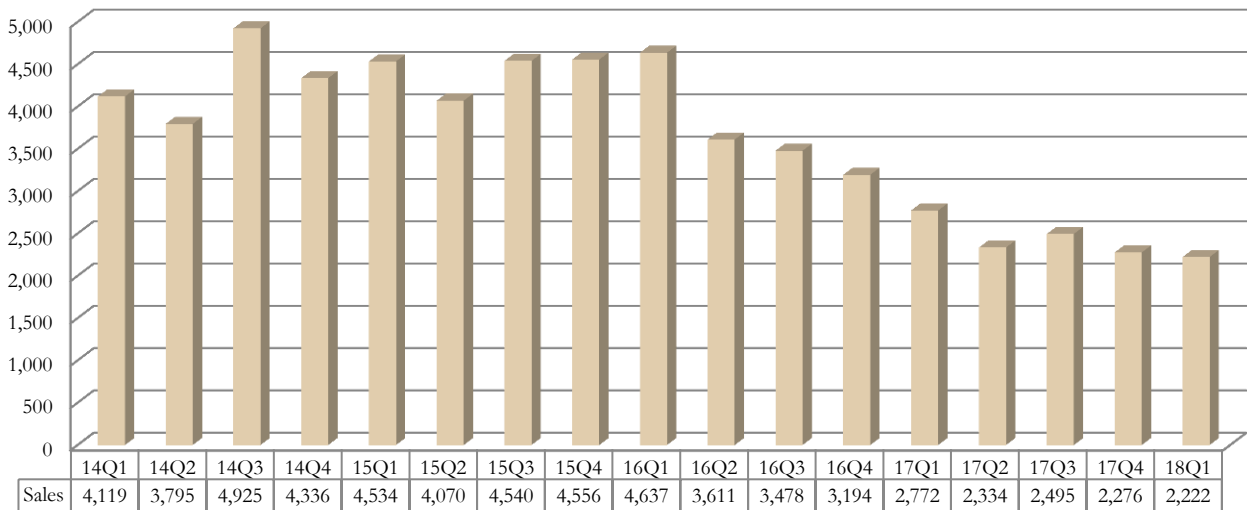
Notices of Foreclosure Sales

FIRST 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) fell 2.4 percent from the prior quarter to 2,222 filings – the lowest level of sales since third quarter 2012 (Chart 4). Compared with the First quarter 2017, foreclosure sales dropped 19.8 percent. Foreclosure sales fell in 14 Maryland jurisdictions from the previous quarter, increased in the other 10. On an annual basis, however, foreclosure sales declined in 20 Maryland jurisdictions, but increased in the other four. The most significant growth and declines were in Allegany and Caroline counties and in Somerset and Worcester counties, respectively.

Foreclosure sales fell by 8.0 percent in Prince George’s County to 476 notices and by 25.0 percent below last year’s volume. Foreclosure sales in the county accounted for 21.4 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore City with 358 notifications, or 16.1 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City decreased 4.6 percent from the preceding quarter and by 14.1 percent below year ago levels compared with the same period in 2017. Baltimore County with 352 notices, or 15.9 percent of the total, had the third highest number of foreclosure sales. Notices of sales in this county fell 1.6 percent from the previous quarter, down by 18.3 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (195 sales, or 8.8 percent) and Montgomery (182 sales, or 8.2 percent), respectively. Together, these jurisdictions accounted for 70.4 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2018



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2018

Jurisdiction	2018 Q1		% Change from	
	Number	% of Total	2017 Q4	2017 Q1
Allegany	23	1.0%	34.1%	56.8%
Anne Arundel	195	8.8%	12.5%	-20.3%
Baltimore	352	15.9%	-1.6%	-18.3%
Baltimore City	358	16.1%	-4.6%	-14.1%
Calvert	38	1.7%	-9.8%	12.8%
Caroline	18	0.8%	45.8%	51.5%
Carroll	32	1.4%	-4.7%	-29.3%
Cecil	32	1.4%	-39.6%	-28.9%
Charles	89	4.0%	8.5%	-26.9%
Dorchester	11	0.5%	-34.9%	-30.4%
Frederick	65	2.9%	-10.1%	-19.0%
Garrett	8	0.4%	349.7%	-14.9%
Harford	127	5.7%	33.1%	-18.4%
Howard	55	2.5%	-12.9%	-27.3%
Kent	5	0.2%	-18.2%	-41.7%
Montgomery	182	8.2%	14.7%	-18.6%
Prince George's	476	21.4%	-8.0%	-25.0%
Queen Anne's	13	0.6%	-62.0%	-42.0%
Somerset	5	0.2%	-74.0%	-54.2%
St. Mary's	34	1.5%	7.0%	-9.1%
Talbot	8	0.4%	55.9%	14.3%
Washington	53	2.4%	-2.3%	-19.5%
Wicomico	29	1.3%	3.7%	-19.4%
Worcester	14	0.6%	-46.9%	-43.5%
Maryland	2,222	100.0%	-2.4%	-19.8%

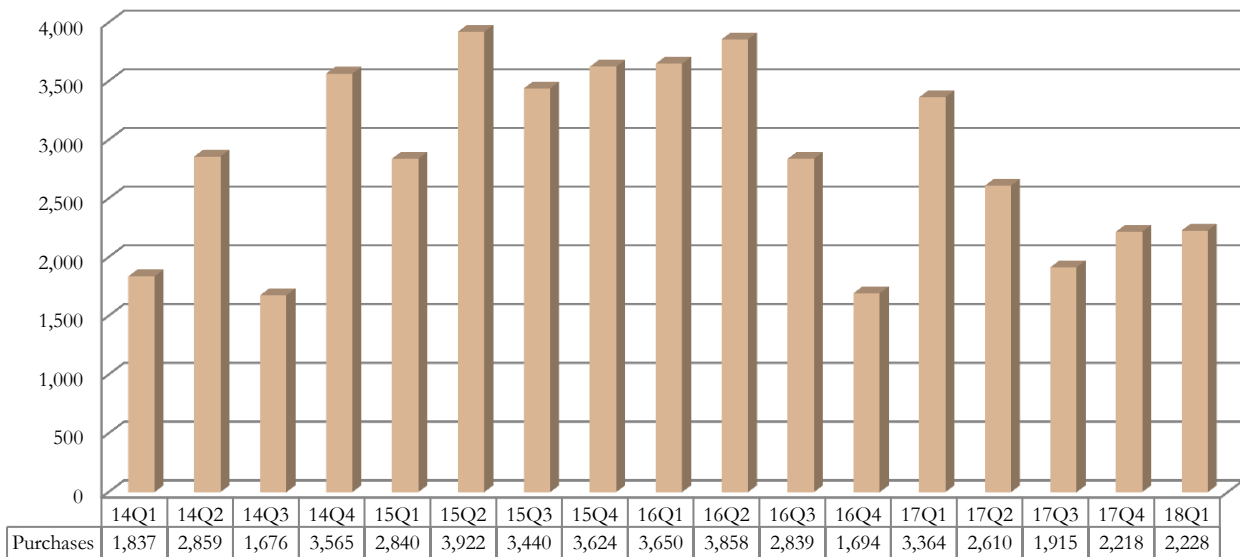
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties FIRST QUARTER 2018

Lender purchases or real estate owned (REO) by the lender (the final step in the foreclosure process that conveys property ownership back to lender) inched up 0.4 percent this quarter to 2,228 properties. Compared to activity in the first quarter of 2017, lender purchases fell 33.8 percent. REOs increased in 11 jurisdictions from the previous quarter, falling in the other 13 between 0.4 to 54.0 percent. Compared with year ago levels lender purchases declined in 16 jurisdictions, conversely, increasing between 17.2 and 198.9 percent in the other eight. 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 538 lender purchases (24.1 percent of the total), Prince George’s County had the highest concentration in Maryland (Table 4). Lender purchases in the county declined less than one percentage point in the first quarter but increased 51.9 percent above last year. Lender purchases in Baltimore City, which totaled 405, accounted for 18.2 percent of purchases statewide. Sales in the City experienced a 6.3 percent growth from the previous quarter, but decreased by 47.9 percent from the previous year. Baltimore County, with 276 lender purchases (12.4 percent of the total), had the third highest concentration in Maryland. Lender purchases in the county were down by 8.0 percent from the previous quarter and significantly by 59.0 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Anne Arundel (164 purchases or 7.4 percent) and Montgomery (124 purchases or 5.6 percent) counties. Together, these jurisdictions represented 67.6 percent of all lender purchases statewide.

**CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FIRST QUARTER 2018**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2018 Q1		% Change from	
	Number	% of Total	2017 Q4	2017 Q1
Allegany	37	1.7%	41.7%	75.6%
Anne Arundel	164	7.4%	-0.4%	-19.0%
Baltimore	276	12.4%	-8.0%	-59.0%
Baltimore City	405	18.2%	6.3%	-47.9%
Calvert	45	2.0%	16.7%	-42.3%
Caroline	14	0.6%	2.3%	-46.0%
Carroll	36	1.6%	-15.4%	-51.9%
Cecil	34	1.5%	-41.4%	17.2%
Charles	90	4.0%	23.3%	-11.9%
Dorchester	19	0.9%	-2.2%	-20.7%
Frederick	64	2.9%	27.0%	-41.4%
Garrett	6	0.3%	-48.9%	-49.0%
Harford	83	3.7%	-9.9%	-60.8%
Howard	49	2.2%	39.5%	-59.4%
Kent	6	0.3%	-54.0%	-50.6%
Montgomery	124	5.6%	7.7%	-60.3%
Prince George's	538	24.1%	-0.9%	51.9%
Queen Anne's	27	1.2%	56.2%	137.9%
Somerset	10	0.4%	-25.1%	144.5%
St. Mary's	45	2.0%	11.3%	151.9%
Talbot	30	1.4%	404.2%	59.2%
Washington	57	2.6%	-27.7%	-42.5%
Wicomico	50	2.3%	-8.9%	198.9%
Worcester	19	0.8%	-36.6%	-65.1%
Maryland	2,228	100.0%	0.4%	-33.8%

Source: RealtyTrac and DHCD, Housing and Economic Research Office