



# PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2019

**MARCH 2019**

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FIRST QUARTER 2019

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# Property Foreclosure Events in Maryland

FIRST QUARTER 2019

## Executive Summary

RealtyTrac reported a total of 161,875 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 first quarter of 2019, down 1.6 percent from the previous quarter and by 14.7 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 12.2, down 20 basis points from 12.4 in the previous quarter.

First quarter foreclosure data show that foreclosure activity increased in eight of the 21 (38.1 percent) judicial states compared to 12 of the 30 (40.0 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 rose in 20 states but fell in the other 30 and the District of Columbia. The top five increases in the first quarter of 2019 were in Mississippi, North Carolina, Rhode Island, Tennessee, and Utah, while the largest declines were in Alaska, Arizona, Idaho, Montana, and South Dakota. Compared with the same period in 2018, total foreclosure events declined in 46 states and in the District of Columbia, from Washington with a reduction by 1.4 percent to a 41.6 percent decrease in Arizona. Four states saw increases in foreclosures ranging between 3.0 percent in Hawaii to 24.5 percent in Florida; one state, Rhode Island, saw no change at all.

In Maryland, foreclosure activity or events fell by 7.6 percent to 5,887 events, a decline of 482 events. Foreclosure activity has fluctuated since 2016, the year that last marked four consecutive quarterly decreases. However, Maryland continues to have a strong downward trend of foreclosure activity on an annual basis, this quarter marking the 12<sup>th</sup> consecutive quarter of annual declines (Exhibits 1 and 2).

New foreclosure filings in Maryland decreased 21.0 percent to 2,651 events in the first quarter. This is the first quarter of new foreclosure filing decreases after three quarters of consecutive increases in 2018. Foreclosure sales increased by 3.6 percent from the prior quarter to 2,246, a 1.1 percent growth from the same quarter last year. Lender purchases increased 8.8 percent to 1,437 properties, a decline of 35.5 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 2.0 foreclosures per 10,000 households to 24.5 in the first quarter of 2019. Maryland's ranking remained among the top five states with the highest foreclosure rates nationwide, along with Delaware, Florida, Illinois, and New Jersey. The state's foreclosure rate climbed to 101.2 percent above the U.S. rate of 12.2 in the first quarter. The U.S. rate fell by 0.2 foreclosures from the preceding quarter. Maryland's back as having the third-highest state-ranked foreclosure rate after Delaware and Florida. Pennsylvania's rate moved up as the 11<sup>th</sup> highest while Virginia's ranking dropped from the prior quarter to the 26<sup>th</sup> highest in the current quarter.

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, 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.

FIRST QUARTER 2019

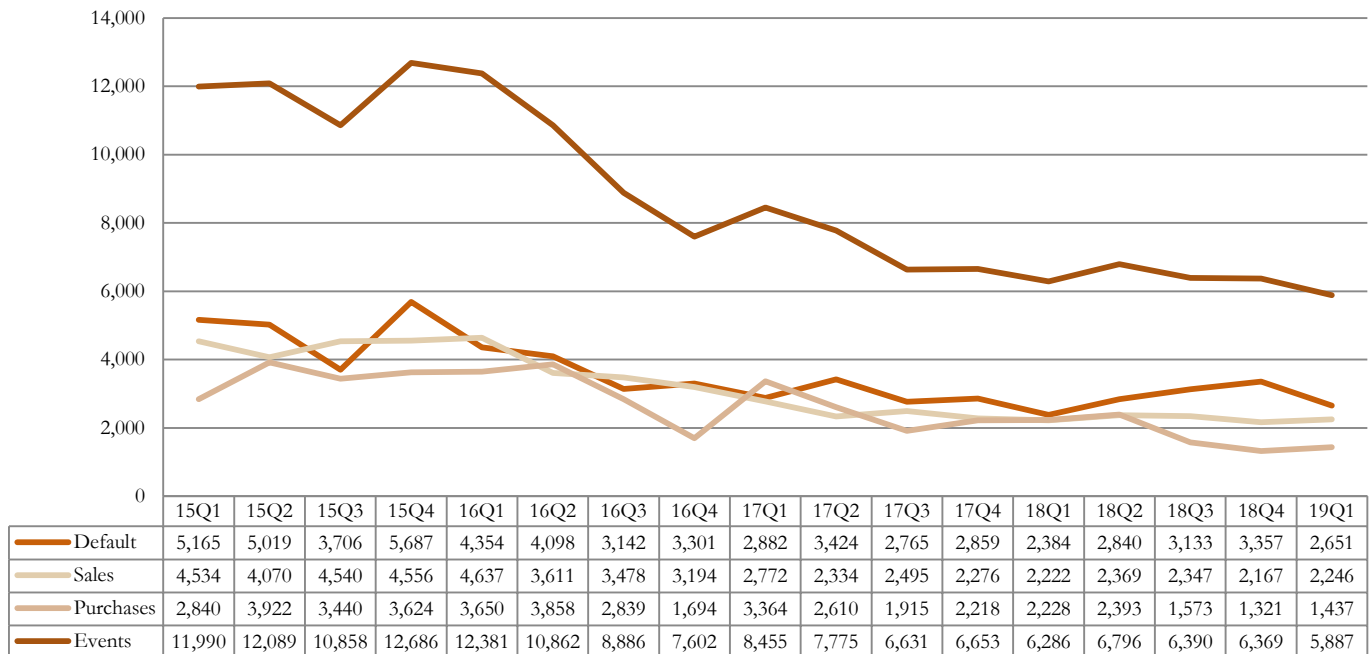
Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<b>Maryland</b>				
Number of Events	2,651	2,246	1,437	5,887
Change (Last Quarter)	-21.0%	3.6%	8.8%	-7.6%
Change (Last Year)	11.2%	1.1%	-35.5%	-6.3%
<b>U.S.</b>				
Number of Events	57,927	75,870	35,787	161,875
Change (Last Quarter)	4.9%	7.1%	-21.4%	-1.6%
Change (Last Year)	-9.8%	0.6%	-45.3%	-14.7%

\*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

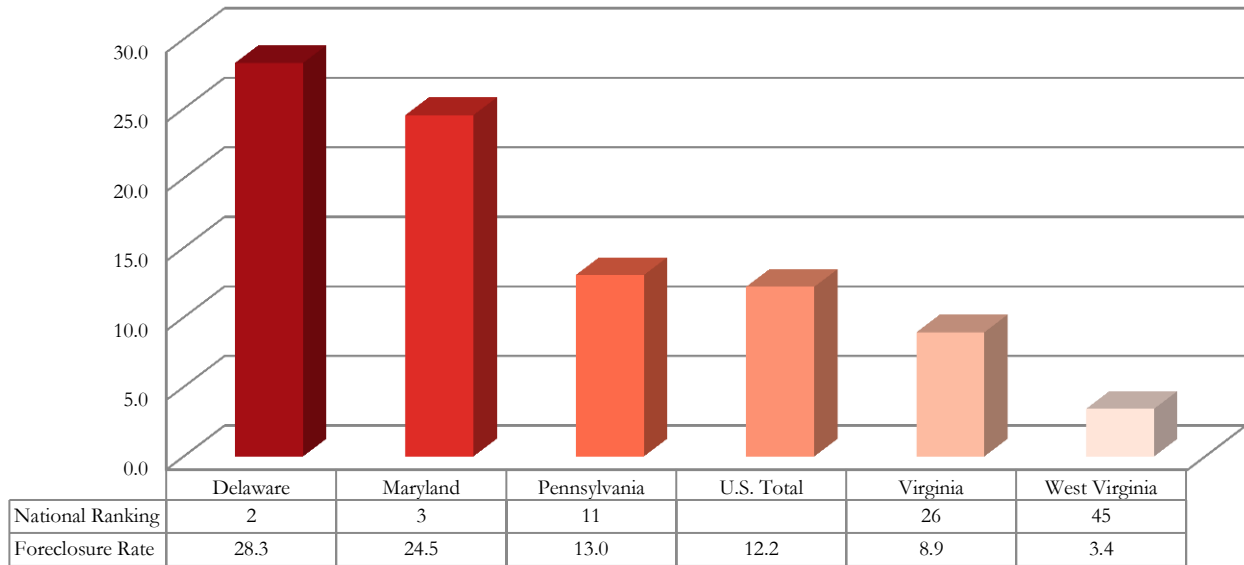
### EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND

FIRST QUARTER 2019



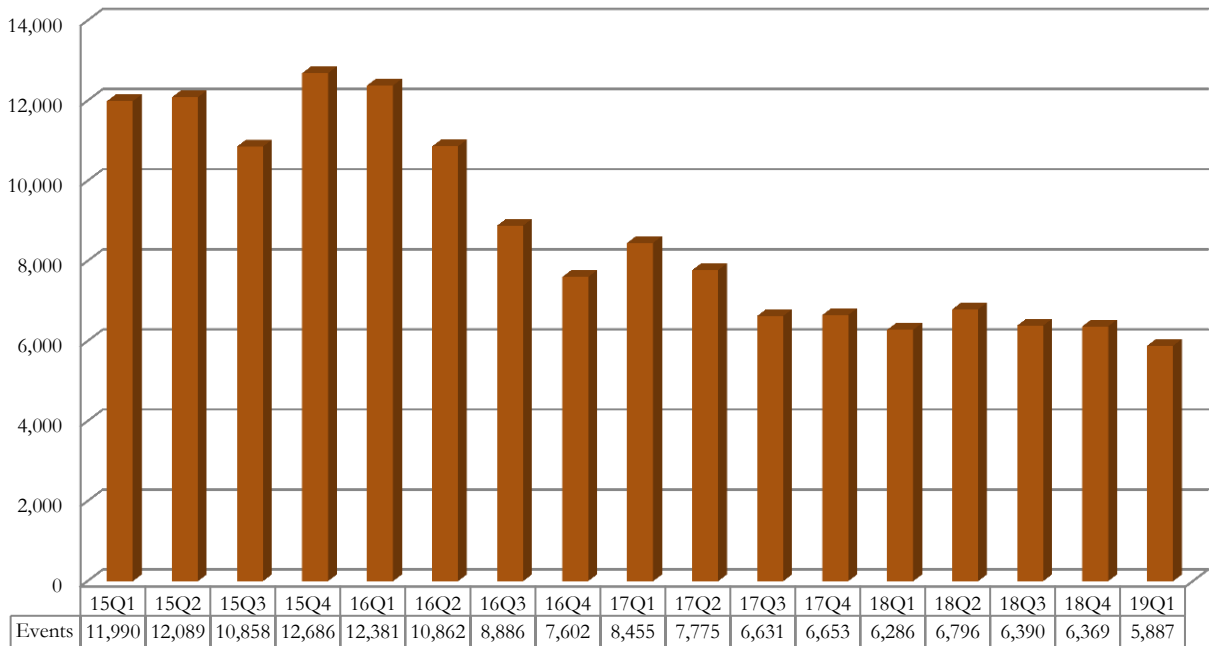
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 2. TOTAL FORECLOSURE ACTIVITY**  
 FIRST QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of first quarter foreclosure events in Maryland. Compared to the fourth quarter, foreclosure events grew in six Maryland jurisdictions and declined in the other 18. When compared with levels a year ago, foreclosure activity declined in 13 jurisdictions. Wicomico County had the highest growth from the previous quarter with 27.8 percent and Garrett recorded the largest decline statewide at 42.9 percent. From year ago levels, Kent County had the highest growth of 69.7 percent due to a significant increase in the number of foreclosure sales. Allegany had the largest decline of 25.5 percent: lender purchases fell while foreclosure sales and new defaults rose.

Prince George's County with 1,465 events had the largest share of foreclosures statewide, accounting for 24.9 percent of the total. Foreclosure activity in the county increased 10.2 percent since the preceding quarter and fell 2.2 percent from the prior year. Baltimore City had the second largest share of foreclosures—17.5 percent—at 1,031 events, a growth of 1.1 percent and a decline of 10.3 percent from year ago levels. Baltimore County with 810 events, or 13.8 percent of the total, had the third highest share in Maryland. Foreclosures in the county fell 22.5 percent from last quarter and a year ago, respectively.

Other jurisdictions with relatively large shares of foreclosure events include Anne Arundel with 454 events (7.7 percent), Montgomery (378 events or 6.4 percent), Charles (262 properties or 4.4 percent of the total), Harford (196 events or 3.3 percent), Frederick (151 events or 2.6 percent), Washington and Howard (each with 140 events or 2.4 percent). These 10 jurisdictions represented 85.4 percent of all foreclosures events in Maryland.

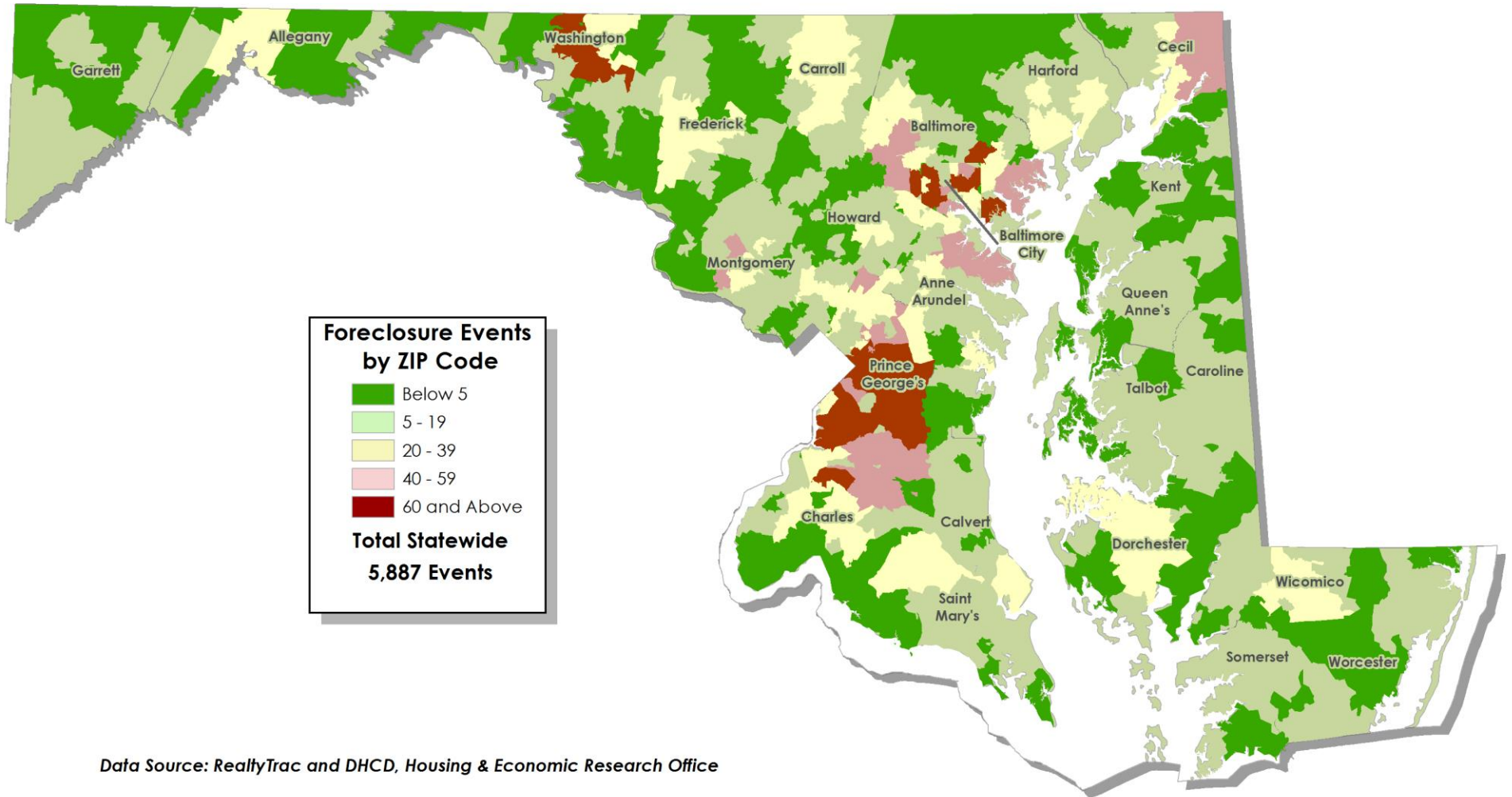
**TABLE 1. PROPERTY FORECLOSURE EVENTS**  
FIRST QUARTER 2019

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2018 Q4	2018 Q1
Allegany	18	25	14	51	0.9%	-42.7%	-25.5%
Anne Arundel	181	194	119	454	7.7%	-15.4%	-17.0%
Baltimore	297	370	179	810	13.8%	-22.5%	-22.5%
Baltimore City	508	383	248	1,031	17.5%	1.1%	-10.3%
Calvert	54	33	32	111	1.9%	-0.4%	38.5%
Caroline	13	19	16	44	0.8%	18.4%	48.1%
Carroll	36	46	33	105	1.8%	-11.2%	8.8%
Cecil	47	40	26	102	1.7%	-2.9%	64.5%
Charles	113	82	79	262	4.4%	5.7%	53.3%
Dorchester	14	15	15	40	0.7%	1.3%	32.0%
Frederick	66	59	31	151	2.6%	-14.5%	18.7%
Garrett	8	6	4	16	0.3%	-42.9%	16.9%
Harford	61	79	63	196	3.3%	-28.2%	-22.4%
Howard	61	59	24	140	2.4%	-24.6%	-21.5%
Kent	6	11	7	21	0.4%	-1.2%	69.7%
Montgomery	160	169	82	378	6.4%	-12.8%	-2.9%
Prince George's	794	514	291	1,465	24.9%	10.2%	-2.2%
Queen Anne's	19	16	9	43	0.7%	-41.4%	-19.0%
Somerset	9	8	13	31	0.5%	-8.4%	32.1%
St. Mary's	40	28	34	99	1.7%	-21.6%	-7.3%
Talbot	11	10	15	35	0.6%	-18.6%	-22.7%
Washington	56	37	53	140	2.4%	-7.2%	-3.0%
Wicomico	67	24	35	116	2.0%	27.8%	9.0%
Worcester	14	19	15	45	0.8%	-15.8%	-19.2%
<b>Maryland</b>	<b>2,651</b>	<b>2,246</b>	<b>1,437</b>	<b>5,887</b>	<b>100.0%</b>	<b>-7.6%</b>	<b>-6.3%</b>

\*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

First Quarter 2019



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

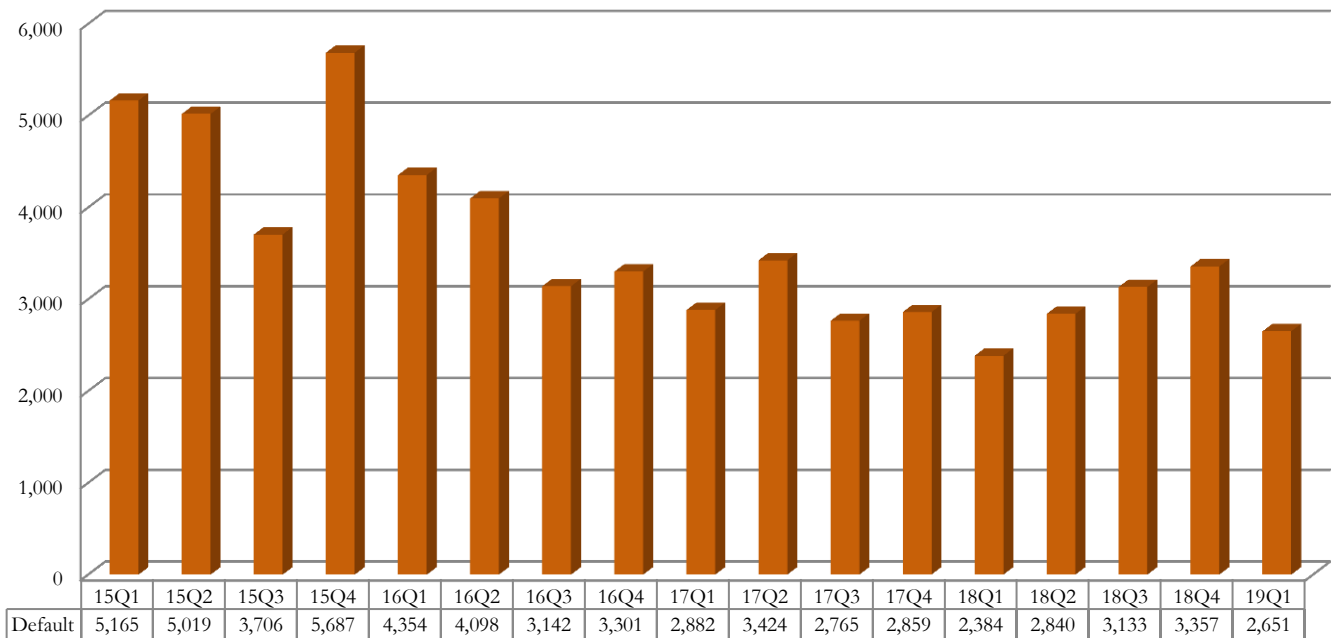
## Notices of Mortgage Loan Default

### FIRST QUARTER 2019

Default notices (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 21.0 percent to 2,651 filings in the first quarter (Chart 3). This quarter's decline in new defaults is the first quarter after several consecutive quarters of increases, still up, however, 11.2 percent from the first quarter of 2018. Fourteen jurisdictions recorded year-over-year growth, while the other 10 recorded decreases in defaults.

By jurisdiction, Prince George's County accounted for the largest share of defaults with 30.0 percent of all filings statewide or 794 notices (Table 2). The county's default notices rose 9.8 percent from the previous quarter and 30.8 percent above last year's volume. Baltimore City, with 508 default notices (19.2 percent of the total), had the second highest number of defaults in Maryland. The City's new defaults grew 5.4 percent from the preceding quarter and by 2.7 percent above last year levels. Baltimore County, with 297 default notices, or 11.2 percent of the total, had the third highest number of notices. The county's default notices fell by 51.4 percent from the previous quarter and by 43.8 percent from last year's volume. Other counties with high defaults include Anne Arundel County which had the fourth largest share with 181 notices or a 6.8 percent share, and Montgomery with the fifth highest number of notices (160 default notices, or 6.0 percent of the total). Together, these five jurisdictions represented 73.2 percent of all default notices issued statewide.

**CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT**  
FIRST QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office



**TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT**  
FIRST QUARTER 2019

Jurisdiction	2019 Q1		% Change from	
	Number	% of Total	2018 Q4	2018 Q1
Allegany	18	0.7%	-65.9%	45.8%
Anne Arundel	181	6.8%	-33.8%	-23.2%
Baltimore	297	11.2%	-51.4%	-43.8%
Baltimore City	508	19.2%	5.4%	2.7%
Calvert	54	2.0%	26.2%	11293.6%
Caroline	13	0.5%	-48.5%	844.4%
Carroll	36	1.3%	-40.8%	-4.7%
Cecil	47	1.8%	17.5%	NA
Charles	113	4.3%	-0.7%	5470.9%
Dorchester	14	0.5%	-41.5%	NA
Frederick	66	2.5%	-34.0%	1796.5%
Garrett	8	0.3%	-41.2%	NA
Harford	61	2.3%	-57.2%	-13.7%
Howard	61	2.3%	-41.2%	-30.2%
Kent	6	0.2%	-55.7%	105.5%
Montgomery	160	6.0%	-26.4%	37.7%
Prince George's	794	30.0%	9.8%	30.8%
Queen Anne's	19	0.7%	-64.2%	8.3%
Somerset	9	0.4%	-49.7%	-7.0%
St. Mary's	40	1.5%	-38.0%	24.0%
Talbot	11	0.4%	-59.3%	22.2%
Washington	56	2.1%	-26.6%	14.4%
Wicomico	67	2.5%	26.2%	69.8%
Worcester	14	0.5%	-52.8%	-49.7%
<b>Maryland</b>	<b>2,651</b>	<b>100.0%</b>	<b>-21.0%</b>	<b>11.2%</b>

Source: RealtyTrac and DHCD, Housing and Economic Research Office

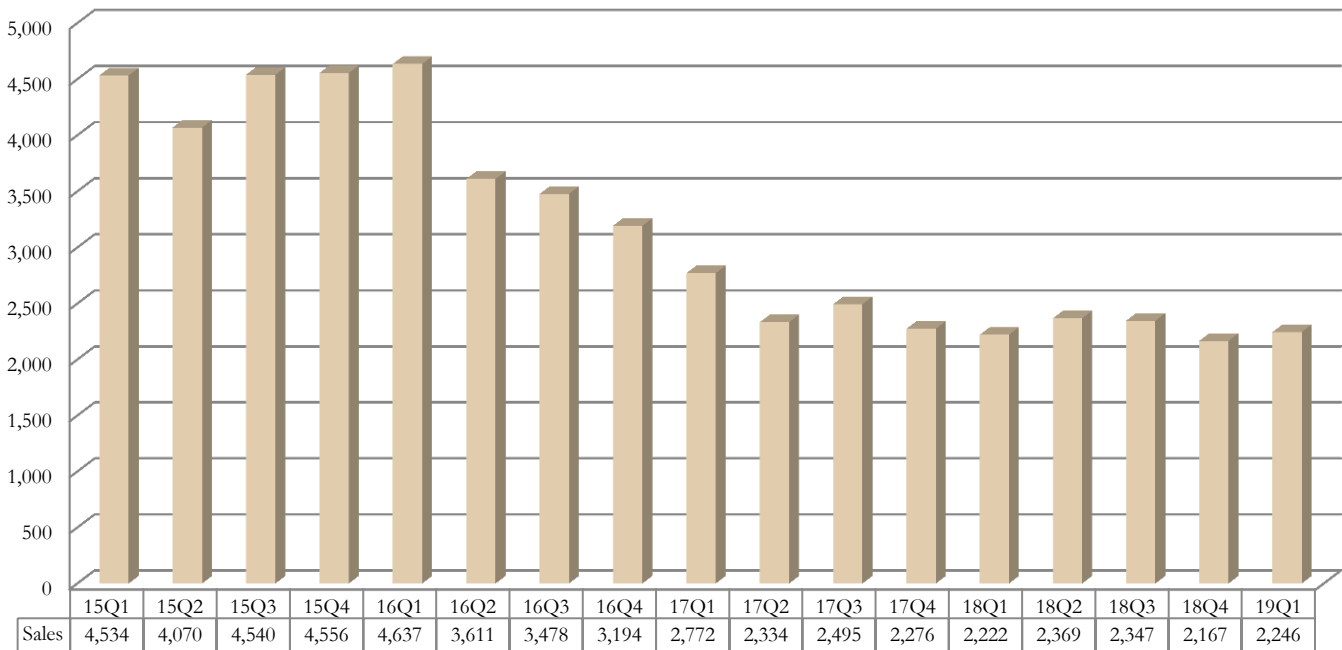
## Notices of Foreclosure Sales

### FIRST QUARTER 2019

Foreclosure sale or judgment of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) increased 3.6 percent from the prior quarter to 2,246 filings (Chart 4). Compared to the first quarter 2018, foreclosure sales also rose 1.1 percent. Foreclosure sales fell in 11 jurisdictions from the previous quarter and increased in the other 13. On an annual basis, foreclosure sales declined in 10 jurisdictions but increased in the other 14. The most significant quarterly and annual growth was in Kent County which had 11 foreclosure sales this quarter, growing 108.8 percent both quarterly and annually. Garrett fell by 57.6 percent from the previous quarter and Harford fell 37.6 percent from the previous year.

Current quarter foreclosure sales grew by 6.9 percent in Prince George’s County to 514 notices, up by 8.1 percent over last year’s volume. Foreclosure sales in the county accounted for 22.9 percent of all foreclosure sales statewide, the largest share among the state’s 24 jurisdictions (Table 3). Baltimore City with 383 notifications, or 17.1 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City increased 4.8 percent from the preceding quarter and 7.1 percent compared with the same period in 2018. Baltimore County—with 370 notices, or 16.5 percent of the total—had the third highest number of foreclosure sales. Notices of sales in this county increased 23.7 percent from the previous quarter and by 5.1 percent from the same period last year. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (194 sales, or 8.6 percent) and Montgomery (169 sales, or 7.5 percent) counties, respectively. Together, these jurisdictions accounted for 72.6 percent of all notices of sales issued statewide.

**CHART 4. NOTICES OF FORECLOSURE SALES**  
FIRST QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 3. NOTICES OF FORECLOSURE SALES**  
FIRST QUARTER 2019

Jurisdiction	2019 Q1		% Change from	
	Number	% of Total	2018 Q4	2018 Q1
Allegany	25	1.1%	-5.9%	5.9%
Anne Arundel	194	8.6%	-5.5%	-0.8%
Baltimore	370	16.5%	23.7%	5.1%
Baltimore City	383	17.1%	4.8%	7.1%
Calvert	33	1.5%	4.7%	-13.6%
Caroline	19	0.8%	50.8%	4.9%
Carroll	46	2.1%	44.5%	44.1%
Cecil	40	1.8%	21.2%	25.0%
Charles	82	3.7%	-20.0%	-7.7%
Dorchester	15	0.7%	19.5%	32.8%
Frederick	59	2.6%	-6.4%	-8.8%
Garrett	6	0.2%	-57.6%	-30.1%
Harford	79	3.5%	-15.8%	-37.6%
Howard	59	2.6%	-9.0%	6.7%
Kent	11	0.5%	108.8%	108.8%
Montgomery	169	7.5%	-1.5%	-7.3%
Prince George's	514	22.9%	6.9%	8.1%
Queen Anne's	16	0.7%	27.4%	27.4%
Somerset	8	0.4%	9.9%	83.3%
St. Mary's	28	1.2%	-24.4%	-18.0%
Talbot	10	0.4%	25.0%	25.0%
Washington	37	1.7%	-18.3%	-29.1%
Wicomico	24	1.1%	-8.5%	-17.4%
Worcester	19	0.8%	8.7%	32.0%
<b>Maryland</b>	<b>2,246</b>	<b>100.0%</b>	<b>3.6%</b>	<b>1.1%</b>

Source: RealtyTrac and DHCD, Housing and Economic Research Office

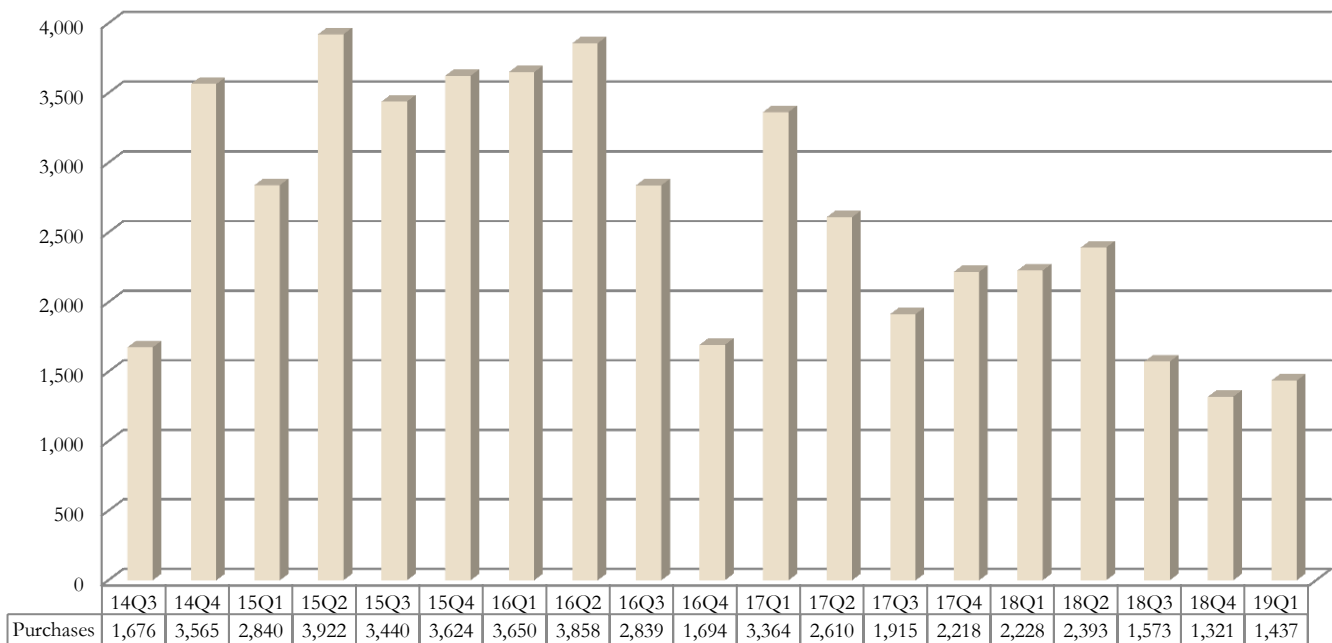
## Lender Purchases of Foreclosed Properties

### FIRST QUARTER 2019

Lender purchases of 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 fifth consecutive quarter. In the first quarter, there were 1,437 lender purchases, a decline of 35.5 percent since the same time last year. Compared to activity in the fourth quarter of 2018, however, lender purchases grew in 14 jurisdictions and 8.8 percent statewide. The largest quarterly growth was in Caroline County which grew by 234.7 percent to 16 lender purchases. Year-over-year, lender purchases fell in 21 jurisdictions - the largest drop was in Queen Anne's County with a 65.2 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, Prince George's had the highest concentration in Maryland (Table 4) with 291 lender purchases or 20.3 percent of the total. Lender purchases in Prince George's rose by 37.0 percent in the first quarter but fell significantly by 45.8 percent over last year's volume. Lender purchases in Baltimore City, which totaled 248, accounted for 17.2 percent of purchases statewide. Sales in the city dropped 6.6 since last quarter and 38.8 percent since the first quarter of 2018. Baltimore County, with 179 lender purchases (12.4 percent of the total), had the third highest concentration in Maryland. Lender purchases in Baltimore County were down 15.1 percent from the preceding quarter and down 35.3 percent when compared with levels a year ago. Other jurisdictions with relatively large shares of lender purchases include Anne Arundel (119 purchases or 8.3 percent) and Montgomery (82 purchases or 5.7 percent). Together, these jurisdictions represented 63.9 percent of all lender purchases.

**CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES**  
FIRST QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2019 Q1		% Change from	
	Number	% of Total	2018 Q4	2018 Q1
Allegany	14	1.0%	-35.0%	-61.4%
Anne Arundel	119	8.3%	25.2%	-27.6%
Baltimore	179	12.4%	-15.1%	-35.3%
Baltimore City	248	17.2%	-6.6%	-38.8%
Calvert	32	2.2%	-25.3%	-28.9%
Caroline	16	1.1%	234.7%	14.3%
Carroll	33	2.3%	-4.7%	-9.9%
Cecil	26	1.8%	-27.8%	-23.5%
Charles	79	5.5%	90.8%	-11.9%
Dorchester	15	1.0%	101.1%	-24.1%
Frederick	31	2.2%	16.9%	-51.4%
Garrett	4	0.3%	-26.3%	-38.7%
Harford	63	4.4%	8.6%	-24.6%
Howard	24	1.7%	-28.2%	-50.2%
Kent	7	0.5%	34.5%	20.9%
Montgomery	82	5.7%	8.1%	-33.8%
Prince George's	291	20.3%	37.0%	-45.8%
Queen Anne's	9	0.7%	-19.9%	-65.2%
Somerset	13	0.9%	52.1%	41.7%
St. Mary's	34	2.3%	-6.6%	-25.6%
Talbot	15	1.0%	36.4%	-50.4%
Washington	53	3.7%	25.1%	-7.1%
Wicomico	35	2.4%	59.1%	-30.2%
Worcester	15	1.1%	17.7%	-18.6%
<b>Maryland</b>	<b>1,437</b>	<b>100.0%</b>	<b>8.8%</b>	<b>-35.5%</b>

Source: RealtyTrac and DHCD, Housing and Economic Research Office