



PROPERTY FORECLOSURE EVENTS IN MARYLAND

SECOND QUARTER 2019

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Property Foreclosure Events in Maryland
SECOND QUARTER 2019

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Property Foreclosure Events in Maryland

SECOND QUARTER 2019

Executive Summary

RealtyTrac reported a total of 159,782 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 second quarter of 2019, down 1.3 percent from the previous quarter and by 15.4 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 12.0, down 20 basis points from 12.2 in the previous quarter.

Second quarter foreclosure data show that foreclosure activity increased in eight of the 21 (38.1 percent) judicial states compared to 16 of the 30 (53.3 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 27 states but increased in the other 23 and the District of Columbia. The top five increases in the second quarter of 2019 were in Arizona, Iowa, Montana, North Dakota, and Vermont, while the largest declines were in Delaware, Michigan, Nevada, Texas, and West Virginia. Compared with the same period in 2018, total foreclosure events declined in 38 states and in the District of Columbia, from Rhode Island with a reduction of 0.7 percent to a 50.0 percent reduction in Massachusetts. Twelve states saw increases in foreclosures ranging between 1.6 percent in Iowa to 31.2 percent in Hawaii.

In Maryland, foreclosure activity or events fell by 3.3 percent to 5,690 events, a decline of 197 events. This quarter marks the first time since 2016 that Maryland has experienced four consecutive quarterly decreases. Maryland continues to have a strong downward trend of foreclosure activity on an annual basis, this quarter making the 13th consecutive quarter of annual declines (Exhibits 1 and 2).

New foreclosure filings in Maryland decreased 5.7 percent to 2,500 events in the second quarter. This is the second quarter of new foreclosure filing decreases after a year's worth of quarterly increases in 2018. Foreclosure sales decreased by 2.0 percent from the prior quarter to 2,201, a 7.1 percent decrease from the same quarter last year. Lender purchases decreased 4.4 percent to 1,374 properties, a decrease of 42.6 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 0.8 foreclosures per 10,000 households to 23.7 in the second 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 was 97.5 percent above the U.S. rate of 12.0 in the second quarter. The U.S. rate fell by 0.2 foreclosures from the preceding quarter. Maryland climbed up to the second-highest state-ranked foreclosure rate after New Jersey. Pennsylvania's rate remained the 11th highest while Virginia's ranking moved up from the prior quarter to the 22nd 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, 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.

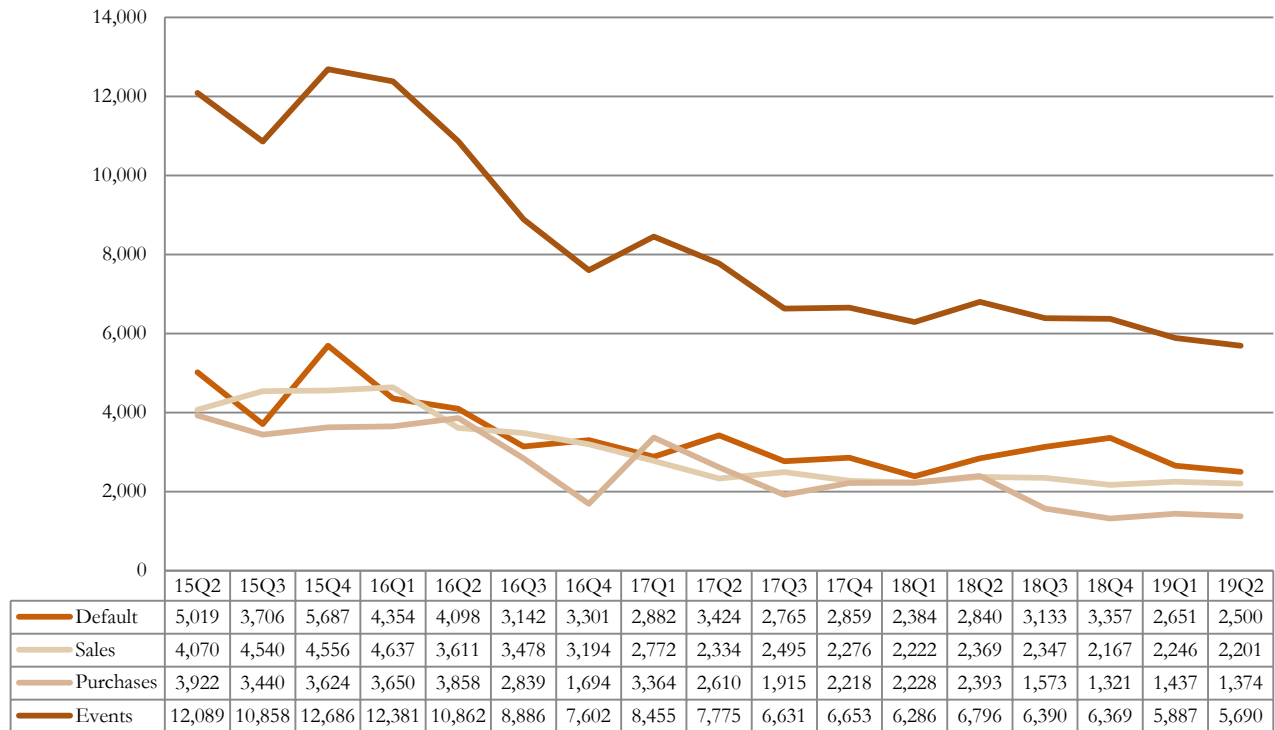
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
SECOND QUARTER 2019

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
Maryland				
Number of Events	2,500	2,201	1,374	5,690
Change (Last Quarter)	-5.7%	-2.0%	-4.4%	-3.3%
Change (Last Year)	-12.0%	-7.1%	-42.6%	-16.3%
U.S.				
Number of Events	55,265	72,285	32,358	159,782
Change (Last Quarter)	-4.6%	-4.7%	-9.6%	-1.3%
Change (Last Year)	-16.7%	-6.2%	-52.3%	-15.4%

*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.

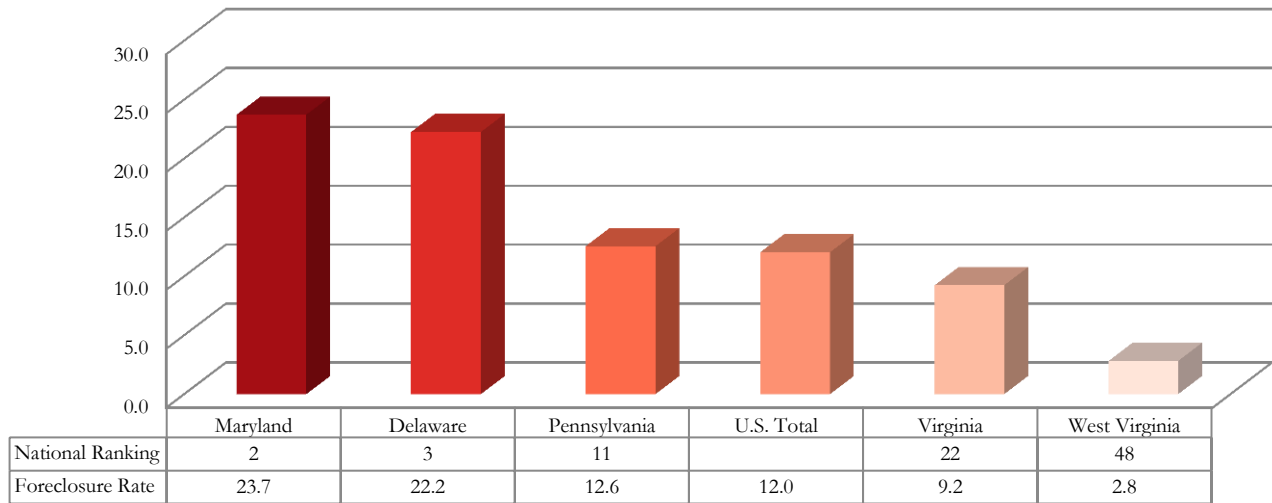
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



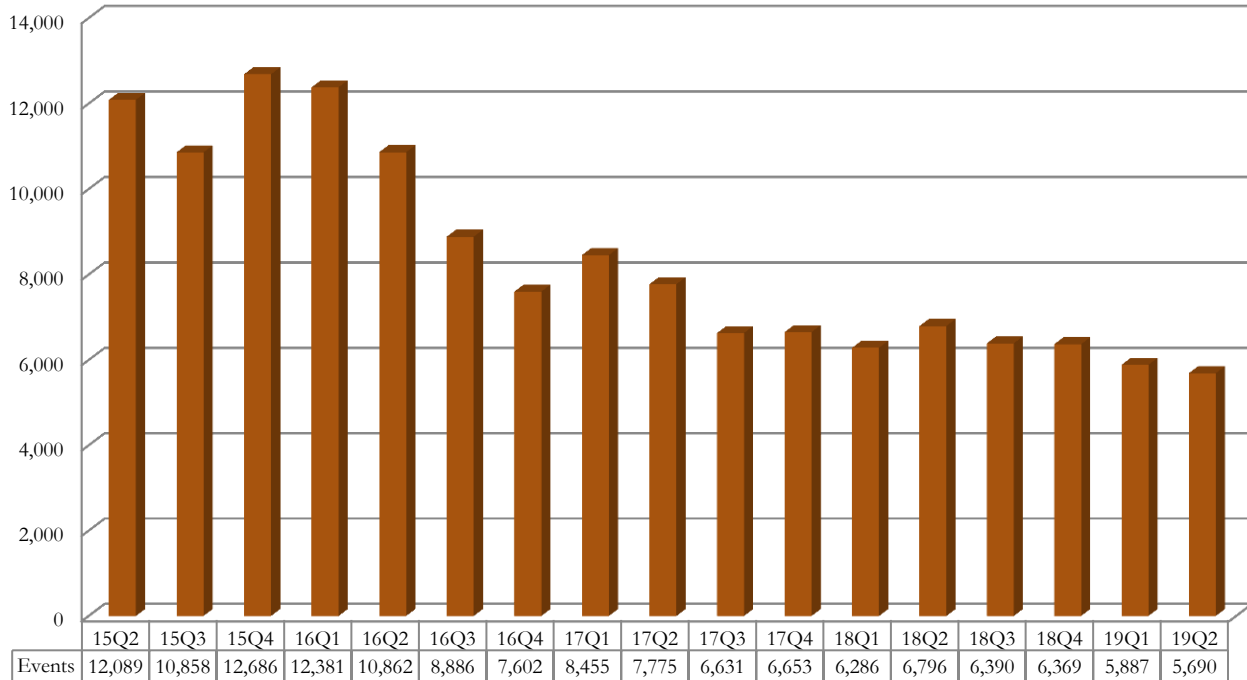
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. TOTAL FORECLOSURE ACTIVITY
 SECOND QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of second quarter foreclosure events in Maryland. Compared to the first quarter, foreclosure events grew in eight Maryland jurisdictions and declined in the other 16. When compared with levels a year ago, foreclosure activity declined in 17 jurisdictions. Allegany County had the highest growth from the previous quarter with 46.5 percent and Wicomico recorded the largest decline statewide at 54.9 percent. From year ago levels, Kent County had the highest growth of 26.2 percent due to a significant increase in the number of foreclosure sales. Talbot had the largest decline of 66.7 percent due to its new defaults decreasing significantly.

Prince George's County with 1,409 events had the largest share of foreclosures statewide, accounting for 24.8 percent of the total. Foreclosure activity in the county fell 3.8 percent since the preceding quarter and 23.5 percent from the prior year. Baltimore City had the second largest share of foreclosures—18.2 percent—at 1,037 events, a growth of 0.6 percent and a decline of 1.7 percent from year ago levels. Baltimore County with 896 events, or 15.7 percent of the total, had the third highest share in Maryland; foreclosures in the county rose 10.6 percent since last quarter and dropped since a year ago by 12.5 percent.

Other jurisdictions with relatively large shares of foreclosure events include Anne Arundel with 477 events (8.4 percent), Montgomery (350 events or 6.1 percent), Charles (217 properties or 3.8 percent of the total), Harford (191 events or 3.3 percent), Frederick (178 events or 3.1 percent), Howard (150 events or 2.6 percent), and Cecil (94 events or 1.7 percent). These 10 jurisdictions represented 87.8 percent of all foreclosures events in Maryland.

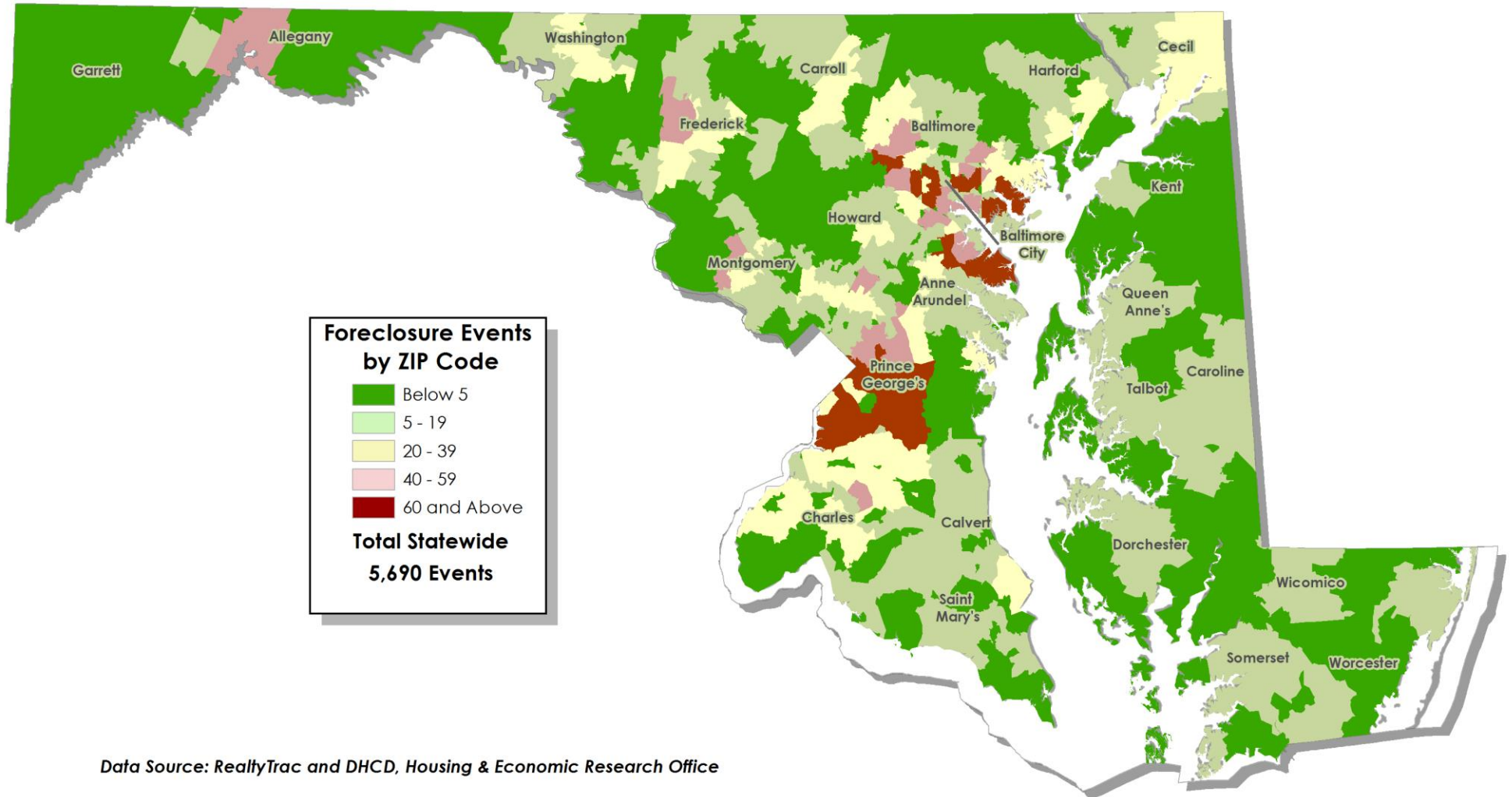
TABLE 1. PROPERTY FORECLOSURE EVENTS
SECOND QUARTER 2019

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2019 Q1	2018 Q2
Allegany	0	28	44	74	1.3%	46.5%	-16.7%
Anne Arundel	245	186	106	477	8.4%	5.0%	-12.8%
Baltimore	419	363	191	896	15.7%	10.6%	-12.5%
Baltimore City	511	428	181	1,037	18.2%	0.6%	-1.7%
Calvert	27	48	27	88	1.5%	-21.2%	3.3%
Caroline	13	12	13	35	0.6%	-20.9%	7.8%
Carroll	45	33	30	87	1.5%	-17.4%	-20.2%
Cecil	34	15	16	94	1.7%	-7.8%	2.2%
Charles	30	29	23	217	3.8%	-17.2%	9.5%
Dorchester	6	10	12	38	0.7%	-6.1%	11.2%
Frederick	52	50	28	178	3.1%	17.6%	25.5%
Garrett	3	6	5	14	0.2%	-15.6%	-39.8%
Harford	79	65	64	191	3.3%	-2.6%	-22.3%
Howard	61	62	41	150	2.6%	7.0%	-16.0%
Kent	7	11	6	22	0.4%	1.6%	26.2%
Montgomery	185	214	131	350	6.1%	-7.6%	-22.0%
Prince George's	688	503	297	1,409	24.8%	-3.8%	-23.5%
Queen Anne's	17	13	12	39	0.7%	-8.7%	-31.9%
Somerset	35	26	28	24	0.4%	-21.4%	-22.3%
St. Mary's	38	18	41	69	1.2%	-30.2%	-39.2%
Talbot	1	14	12	18	0.3%	-48.6%	-66.7%
Washington	3	33	29	84	1.5%	-40.1%	-53.8%
Wicomico	2	14	19	52	0.9%	-54.9%	-60.7%
Worcester	0	20	17	49	0.9%	9.9%	-24.1%
Maryland	2,500	2,201	1,374	5,690	100.0%	-3.3%	-16.3%

*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 2019



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

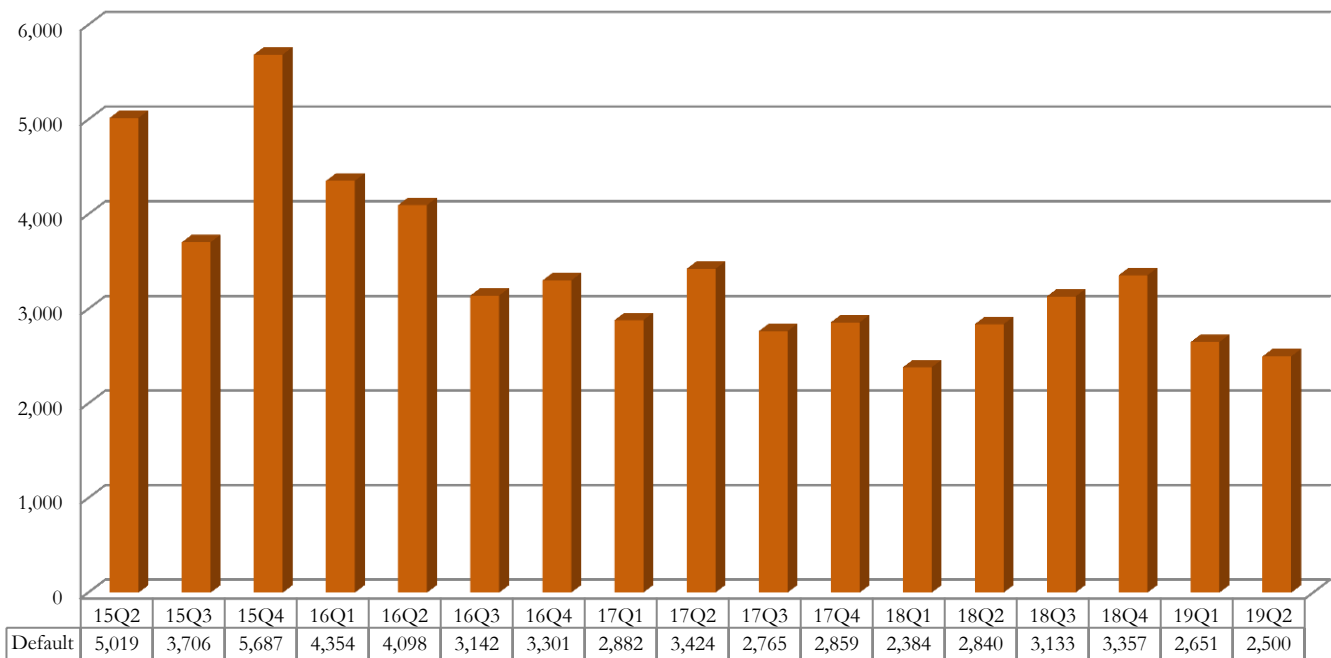
Notices of Mortgage Loan Default

SECOND QUARTER 2019

Default notices (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 5.7 percent to 2,500 filings in the second quarter (Chart 3). This quarter’s decline in new defaults is the second after several consecutive quarters of increases, also down 12.0 percent from the second quarter of 2018. Nine jurisdictions recorded year-over-year growth, while 15 jurisdictions recorded decreases in defaults.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 27.5 percent of all filings statewide or 688 notices (Table 2). The county’s default notices dropped 13.4 percent from the previous quarter and 10.2 percent below last year’s volume. Baltimore City, with 511 default notices (20.4 percent of the total), had the second highest number of defaults in Maryland. The city’s new defaults grew 0.5 percent from the preceding quarter and by 13.6 percent above last year’s levels. Baltimore County, with 419 default notices, or 16.7 percent of the total, had the third highest number of notices. The county’s default notices rose by 41.4 percent from the previous quarter but fell by 3.3 percent from last year’s volume. Other counties with high defaults include Anne Arundel County which had the fourth largest share with 245 notices or a 9.8 percent share, and Montgomery with the fifth highest number of notices (185 default notices, or 7.4 percent of the total). Together, these five jurisdictions represented 81.9 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
SECOND QUARTER 2019

Jurisdiction	2019 Q2		% Change from	
	Number	% of Total	2019 Q1	2018 Q2
Allegany	0	0.0%	-100.0%	-100.0%
Anne Arundel	245	9.8%	35.1%	-9.9%
Baltimore	419	16.7%	41.1%	-3.3%
Baltimore City	511	20.4%	0.5%	13.6%
Calvert	27	1.1%	-49.7%	157.5%
Caroline	13	0.5%	4.8%	634.1%
Carroll	45	1.8%	26.1%	19.1%
Cecil	34	1.4%	-27.7%	183.3%
Charles	30	1.2%	-73.9%	4.1%
Dorchester	6	0.2%	-59.9%	-6.0%
Frederick	52	2.1%	-20.8%	81.1%
Garrett	3	0.1%	-60.0%	-59.8%
Harford	79	3.2%	30.0%	-6.1%
Howard	61	2.5%	0.0%	-22.3%
Kent	7	0.3%	12.6%	33.4%
Montgomery	185	7.4%	15.4%	-11.6%
Prince George's	688	27.5%	-13.4%	-10.2%
Queen Anne's	17	0.7%	-10.0%	-40.7%
Somerset	35	1.4%	274.1%	110.5%
St. Mary's	38	1.5%	-6.6%	-37.7%
Talbot	1	0.0%	-90.9%	-97.1%
Washington	3	0.1%	-94.7%	-97.1%
Wicomico	2	0.1%	-96.3%	-96.9%
Worcester	0	0.0%	-98.3%	-99.3%
Maryland	2,500	100.0%	-5.7%	-12.0%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

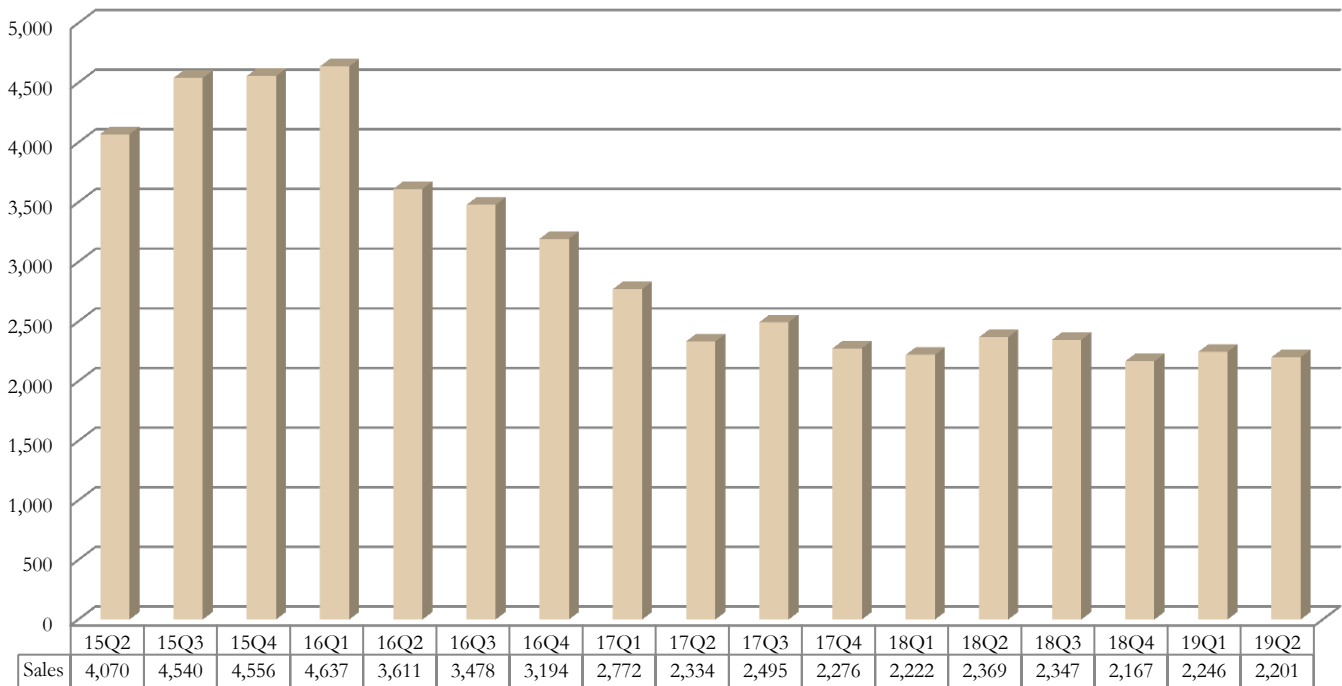
Notices of Foreclosure Sales

SECOND 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 2.0 percent from the prior quarter to 2,201 filings (Chart 4). Compared to the second quarter of 2018, foreclosure sales also dropped 7.1 percent. Foreclosure sales fell in 14 jurisdictions from the previous quarter and increased in the other 10. On an annual basis, foreclosure sales declined in 16 jurisdictions but increased in the other eight. The most significant quarterly and annual growth was in Somerset County which had 27 foreclosure sales this quarter, growing 209.5 percent quarterly and 260.4 percent annually. Charles County had the most significant quarterly and annual decline with 29 foreclosure sales, a decrease of 64.5 percent quarterly and 71.1 percent year-over-year.

Current quarter foreclosure sales grew by 22.8 percent in Prince George’s County to 503 notices, down by 2.3 percent over last year’s volume. Foreclosure sales in the county accounted for 22.8 percent of all foreclosure sales statewide, the largest share among the state’s 24 jurisdictions (Table 3). Baltimore City with 428 notifications, or 19.4 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City increased 11.7 percent from the preceding quarter and 11.3 percent compared with the same period in 2018. Baltimore County—with 363 notices, or 16.5 percent of the total—had the third highest number of foreclosure sales. Notices of sales in this county decreased 2.0 percent from the previous quarter and by 3.3 percent from the same period last year. The fourth and fifth highest share of foreclosure sales this quarter occurred in Montgomery (214 sales, or 9.7 percent) and Anne Arundel (186 sales, or 8.4 percent) counties, respectively. Together, these jurisdictions accounted for 76.9 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
SECOND QUARTER 2019

Jurisdiction	2019 Q2		% Change from	
	Number	% of Total	2019 Q1	2018 Q2
Allegany	28	1.3%	14.9%	30.1%
Anne Arundel	186	8.4%	-4.1%	-1.7%
Baltimore	363	16.5%	-2.0%	-3.3%
Baltimore City	428	19.4%	11.7%	11.3%
Calvert	48	2.2%	48.2%	11.1%
Caroline	12	0.6%	-36.0%	-6.0%
Carroll	33	1.5%	-28.8%	-28.3%
Cecil	15	0.7%	-62.5%	-65.1%
Charles	29	1.3%	-64.5%	-71.1%
Dorchester	10	0.4%	-35.3%	-22.6%
Frederick	50	2.3%	-15.3%	-25.7%
Garrett	6	0.3%	6.4%	-37.6%
Harford	65	2.9%	-18.6%	-41.5%
Howard	62	2.8%	5.5%	-3.4%
Kent	11	0.5%	1.7%	66.3%
Montgomery	214	9.7%	26.6%	25.8%
Prince George's	503	22.8%	-2.3%	-6.6%
Queen Anne's	13	0.6%	-20.7%	-31.9%
Somerset	26	1.2%	209.5%	260.4%
St. Mary's	18	0.8%	-34.2%	-51.8%
Talbot	14	0.6%	40.0%	16.7%
Washington	33	1.5%	-11.5%	-43.9%
Wicomico	14	0.6%	-40.7%	-40.9%
Worcester	20	0.9%	7.2%	35.7%
Maryland	2,201	100.0%	-2.0%	-7.1%

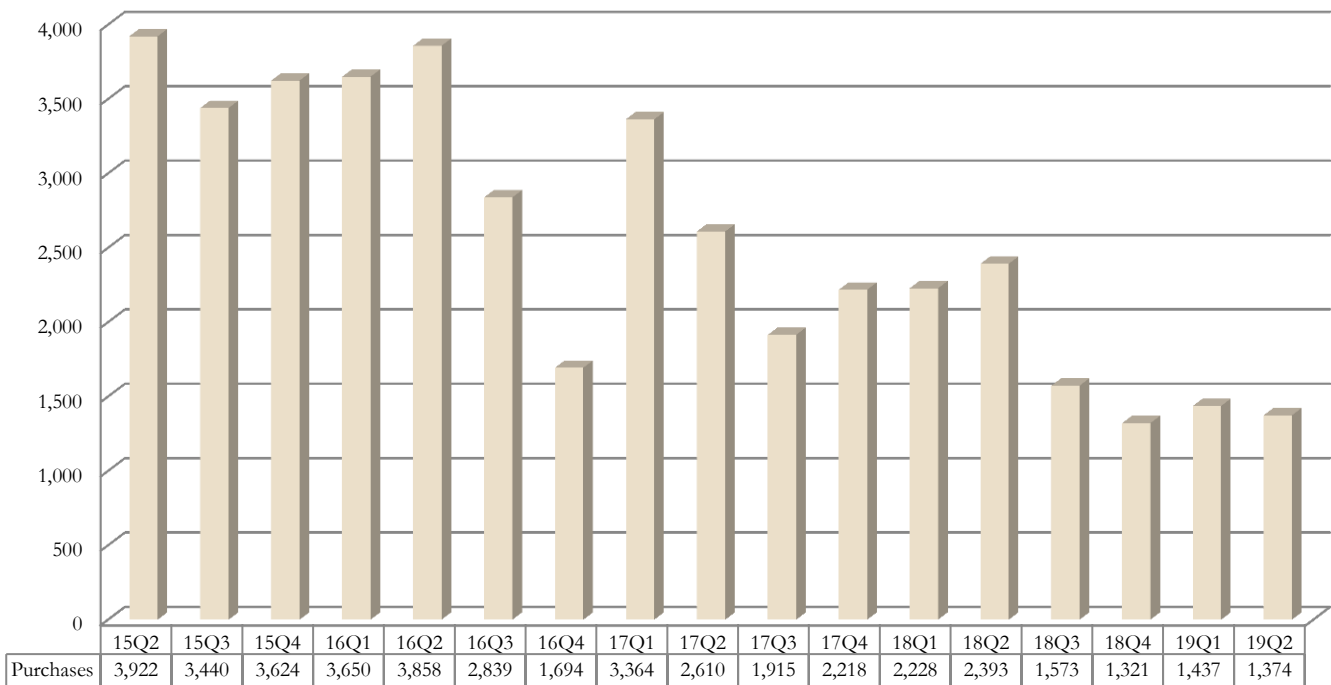
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties SECOND 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 sixth consecutive quarter. In the second quarter, there were 1,374 lender purchases, a decline of 42.6 percent since the same time last year. Compared to activity in the first quarter of 2019, lender purchases fell in 13 jurisdictions and 4.4 percent statewide. The largest quarterly growth was in Allegany County which grew by 209.7 percent to 44 lender purchases. Year-over-year, lender purchases fell in 20 jurisdictions - the largest drop was in Charles County with a 77.2 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 297 lender purchases or 21.6 percent of the total. Lender purchases in Prince George’s rose by 1.9 percent in the second quarter but fell significantly by 59.9 percent over last year’s volume. Lender purchases in Baltimore County, which totaled 191, accounted for 13.9 percent of purchases statewide. Sales in the county increased by 6.9 percent since last quarter but decreased 41.9 percent since the second quarter of 2018. Baltimore City, with 181 lender purchases (13.1 percent of the total), had the third highest concentration in Maryland. Lender purchases in Baltimore City were down 27.1 percent from the preceding quarter and down 49.0 percent when compared with levels a year ago. Other jurisdictions with relatively large shares of lender purchases include Montgomery (131 purchases or 9.5 percent) and Anne Arundel (106 purchases or 7.7 percent). Together, these jurisdictions represented 65.9 percent of all lender purchases.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
SECOND QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2019 Q2		% Change from	
	Number	% of Total	2019 Q1	2018 Q2
Allegany	44	3.2%	209.7%	66.5%
Anne Arundel	106	7.7%	-10.3%	-26.2%
Baltimore	191	13.9%	6.9%	-41.9%
Baltimore City	181	13.1%	-27.1%	-49.0%
Calvert	27	1.9%	-16.2%	-21.8%
Caroline	13	1.0%	-16.0%	-34.2%
Carroll	30	2.2%	-7.5%	-25.3%
Cecil	16	1.2%	-38.5%	-66.0%
Charles	23	1.7%	-71.2%	-77.2%
Dorchester	12	0.9%	-16.6%	-22.4%
Frederick	28	2.0%	-9.4%	-53.7%
Garrett	5	0.4%	29.9%	-42.7%
Harford	64	4.7%	1.9%	-34.4%
Howard	41	3.0%	70.4%	-23.9%
Kent	6	0.4%	-18.7%	-29.3%
Montgomery	131	9.5%	59.2%	6.9%
Prince George's	297	21.6%	1.9%	-59.9%
Queen Anne's	12	0.9%	24.5%	-23.6%
Somerset	28	2.1%	110.8%	152.5%
St. Mary's	41	3.0%	22.4%	29.0%
Talbot	12	0.9%	-20.0%	-25.0%
Washington	29	2.1%	-45.4%	-40.5%
Wicomico	19	1.4%	-45.1%	-57.4%
Worcester	17	1.3%	12.5%	-21.1%
Maryland	1,374	100.0%	-4.4%	-42.6%

Source: RealtyTrac and DHCD, Housing and Economic Research Office