



PROPERTY FORECLOSURE EVENTS IN MARYLAND

THIRD QUARTER 2017

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THIRD QUARTER 2017

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Property Foreclosure Events in Maryland

THIRD QUARTER 2017

Executive Summary

RealtyTrac data for third quarter 2017 show that property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales and lender purchases of foreclosed properties, fell 12.8 percent to 191,824 events. Compared with the third quarter of 2016, foreclosure events continued to show significant year-over-year declines, falling 22.8 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased from 16.6 in the previous quarter to 14.5 in the current quarter. Nationally, foreclosure activity dropped in 45 states but increased in 5 states as well as the District of Columbia. The top five increases were in Alaska, Rhode Island, Vermont, Wyoming, and the District of Columbia, while the greatest declines were in Arkansas, Iowa, Nevada, North Dakota, and Oregon. Compared with the same quarter in 2016, total foreclosure events decreased in 45 states but increased in the other five states and in the District of Columbia.

In Maryland foreclosure events fell 14.7 percent from the second quarter of 2017 to 6,631 events. Compared to the same quarter last year, Maryland's foreclosure activity dropped 25.4 percent. Foreclosure activity continued trends of decline, reaching the lowest value since the fourth quarter of 2012 (Exhibits 1 and 2).

New foreclosure filings in Maryland fell 19.2 percent to 2,765 events in the third quarter, a 12.0 percent decline compared with third quarter 2016 levels. This continues the trend of year over year declines for the sixth consecutive quarter. Foreclosure sales increased 6.9 percent from the prior quarter but fell from the same quarter last year, down 28.3 percent. Lender purchases experienced the largest drop, falling by 26.6 percent from the second quarter of 2017. Compared to the third quarter 2016, purchases experienced a 32.5 percent drop, equivalent to the drop from the first to second quarter of 2017.

Maryland's foreclosure rate continued to fall, down from 32.4 in the second quarter to 27.6 foreclosures per 10,000 households in the third quarter of 2017. 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 91.2 percent above the U.S. rate of 14.5 in the third quarter.

Among the neighboring states, Delaware remained unchanged at the 2nd highest in the current quarter. Pennsylvania's ranking deteriorated, increasing from the 16th highest foreclosure rate to the 13th highest. Virginia's ranking continued to improved, falling from 22nd highest during the second quarter of 2017 to 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.

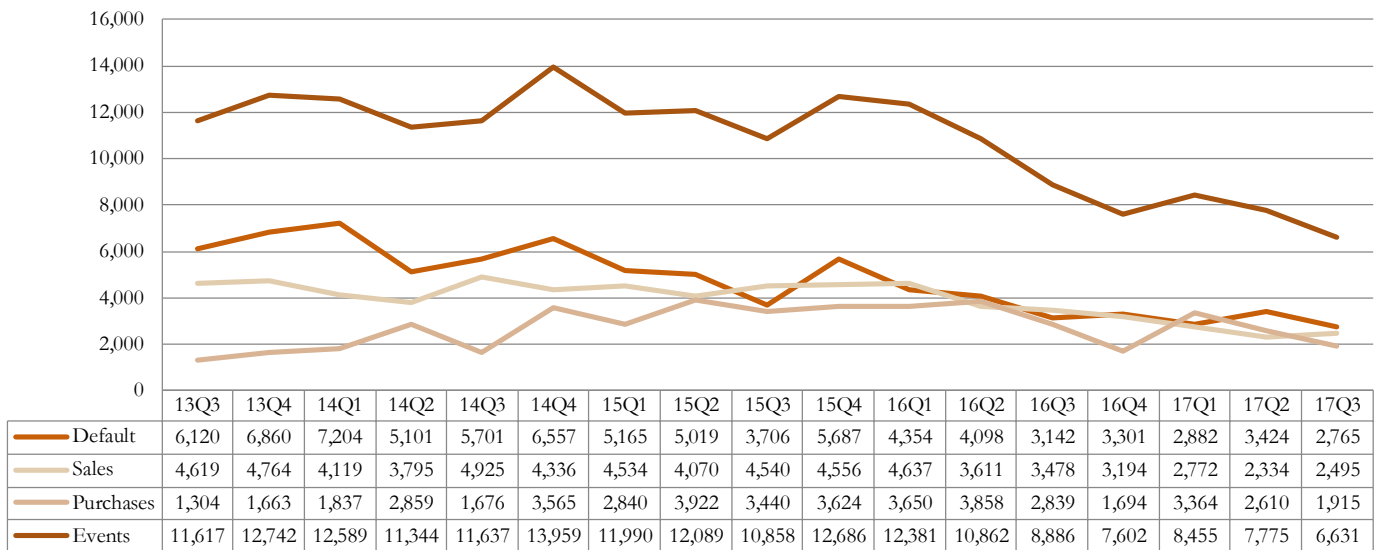
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
THIRD QUARTER 2017

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	2,765	2,495	1,915	6,631
Change (Last Quarter)	-19.2%	6.9%	-26.6%	-14.7%
Change (Last Year)	-12.0%	-28.3%	-32.5%	-25.4%
<i>U.S.</i>				
Number of Events	63,948	84,806	55,993	191,824
Change (Last Quarter)	-14.9%	7.3%	-28.7%	-12.8%
Change (Last Year)	-13.9%	-18.0%	-35.4%	-22.8%

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.

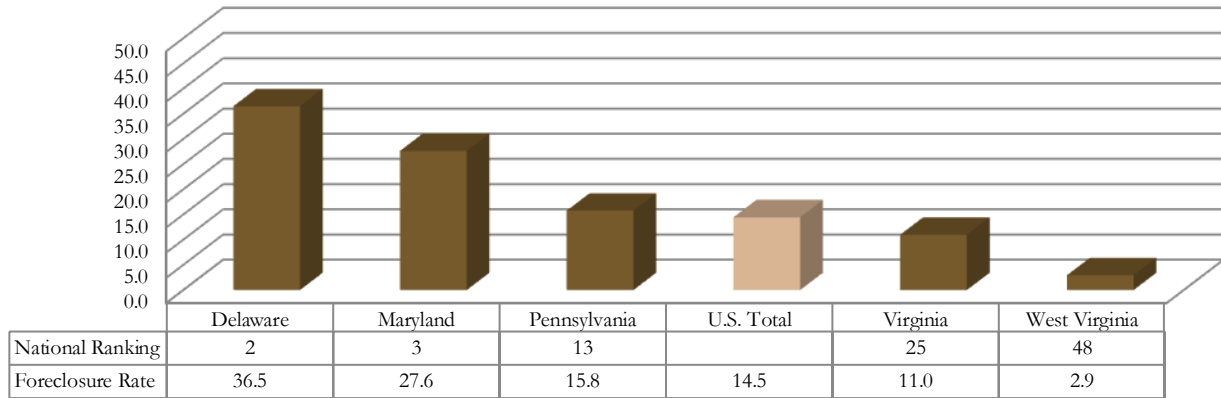
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
THIRD QUARTER 2017



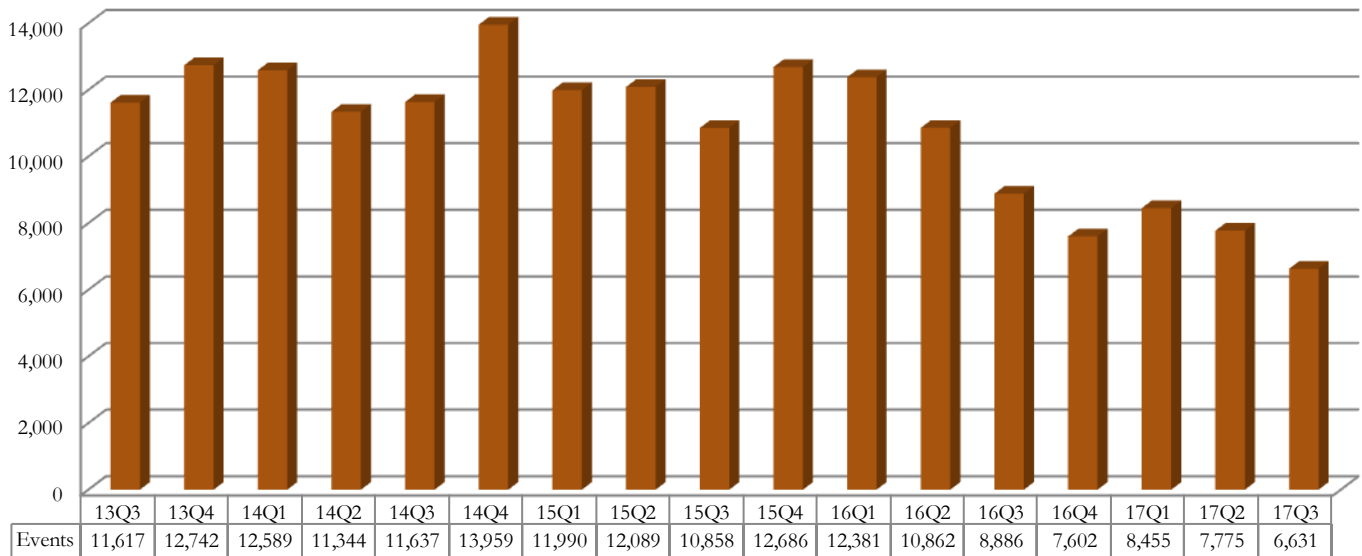
Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 1. FORECLOSURE RATES IN THE REGION: NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
THIRD QUARTER 2017**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**CHART 2. TOTAL FORECLOSURE ACTIVITY
THIRD QUARTER 2017**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the third quarter foreclosure events in Maryland jurisdictions. Foreclosure activity declined in all jurisdictions from year ago levels with the exception of Garrett County, but increased between 1.3% and 57.1% in five jurisdictions from the second quarter of 2017.

Prince George's County with 1,468 events had the largest share of foreclosures statewide, accounting for 22.1 percent of the total. Foreclosure activity in the county fell 23.7 percent below the previous quarter, down 20.1 percent from the year prior. Baltimore City experienced a 12.4 percent decline in the third quarter to 1,234 filings, accounting for 18.6 percent of the statewide share. On an annual basis, the City's foreclosures fell 23.4 percent behind prior year levels. Baltimore County with 1,033 foreclosure events, or 15.6 percent of the total, had the third highest share in Maryland. Foreclosures in this county fell 17.3 percent below the preceding quarter, and decreased by 28.1 percent from one year ago.

Other counties with a large share of foreclosure events include Anne Arundel (519 events or 7.8 percent), Montgomery (428 events or 6.5 percent of the total), Harford (272 events or 4.1 percent), Frederick (228 events or 3.4 percent), Charles (201 events or 3.0 percent), Howard (170 events or 2.6 percent), and Washington counties (170 events or 2.6 percent). These ten jurisdictions represented 86.3 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
THIRD QUARTER 2017

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2017 Q2	2016 Q3
Allegany	23	21	24	61	0.9%	-31.9%	-27.2%
Anne Arundel	218	202	137	519	7.8%	-11.1%	-31.2%
Baltimore	432	379	303	1,033	15.6%	-17.3%	-28.1%
Baltimore City	525	444	385	1,234	18.6%	-12.4%	-23.4%
Calvert	11	40	32	76	1.1%	-27.4%	-45.5%
Caroline	0	19	15	32	0.5%	41.2%	-30.1%
Carroll	50	51	40	125	1.9%	1.3%	-12.4%
Cecil	0	41	48	85	1.3%	13.3%	-20.6%
Charles	30	108	72	201	3.0%	-26.9%	-39.8%
Dorchester	0	18	16	34	0.5%	55.4%	-37.3%
Frederick	93	94	61	228	3.4%	16.5%	-20.4%
Garrett	11	5	10	25	0.4%	-17.7%	18.1%
Harford	119	95	84	272	4.1%	-23.2%	-17.5%
Howard	93	61	30	170	2.6%	-23.1%	-27.8%
Kent	2	5	11	15	0.2%	38.9%	-41.5%
Montgomery	217	171	70	428	6.5%	-22.7%	-37.0%
Prince George's	660	554	378	1,468	22.1%	-23.7%	-20.1%
Queen Anne's	31	11	16	55	0.8%	12.8%	-17.7%
Somerset	21	7	11	35	0.5%	30.8%	-12.1%
St. Mary's	46	41	35	117	1.8%	57.1%	-26.8%
Talbot	17	13	11	36	0.5%	38.3%	-4.9%
Washington	82	48	55	170	2.6%	2.7%	-14.3%
Wicomico	46	44	50	133	2.0%	7.5%	-2.5%
Worcester	38	23	22	78	1.2%	17.2%	-35.2%
Maryland	2,765	2,495	1,915	6,631	100.0%	-14.7%	-25.4%

*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

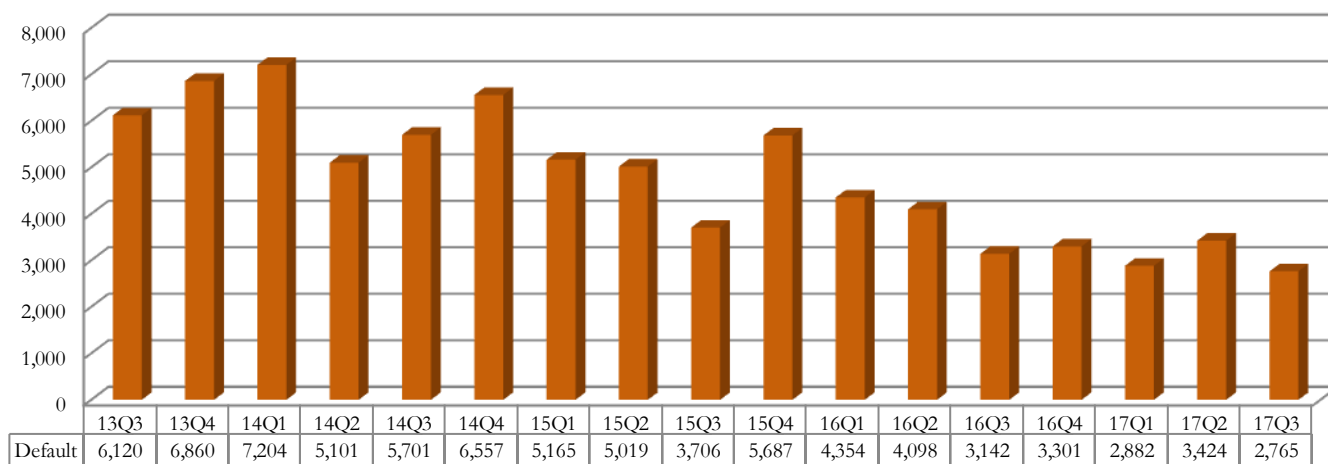
Notices of Mortgage Loan Default

THIRD QUARTER 2017

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) decreased 19.2 percent to 2,765 filings in the third quarter (Chart 3). Compared to last year, new foreclosure filings continued to decline by 12.0 percent, recording the fourteenth consecutive quarter of year over year declines (Table 2). Fifteen Maryland jurisdictions recorded year over year quarterly declines, while nine counties experienced increases between 3.1 percent and 90.3 percent. Caroline, Cecil, and Dorchester Counties recorded zero notices.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 23.9 percent of all filings statewide or 660 notices (Table 2). The county’s default notices fell 11.3 percent from the previous quarter, and 1.8 percent below last year’s volume. Baltimore City, with 525 default notices (19.0 percent of the total), had the second highest number of defaults in Maryland. The City’s new defaults fell 15.1 percent below the preceding quarter levels, down 12.7 percent below last year levels. Baltimore County, with 432 default notices, or 15.6 percent of the total, had the third highest number of notices. The county’s default notices fell 27.7 percent from the previous quarter, a 16.7 percent drop below last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (218 default notices, or 7.9 percent of the total) and Montgomery County had the fifth largest share with 217 notices or a 7.9 percent share. Together, these jurisdictions represented 74.2 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
THIRD QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
THIRD QUARTER 2017**

Jurisdiction	2017 Q3		% Change from	
	Number	% of Total	2017 Q2	2016 Q3
Allegany	23	0.8%	-34.2%	-27.3%
Anne Arundel	218	7.9%	-25.1%	-25.5%
Baltimore	432	15.6%	-27.7%	-16.7%
Baltimore City	525	19.0%	-15.1%	-12.7%
Calvert	11	0.4%	-80.1%	-65.2%
Caroline	0	0.0%	-100.0%	-100.0%
Carroll	50	1.8%	-15.3%	3.1%
Cecil	0	0.0%	n/a	-100.0%
Charles	30	1.1%	-77.7%	-73.9%
Dorchester	0	0.0%	0.0%	-97.5%
Frederick	93	3.4%	-10.1%	4.1%
Garrett	11	0.4%	-31.5%	-2.5%
Harford	119	4.3%	-20.1%	-0.2%
Howard	93	3.4%	-18.2%	5.8%
Kent	2	0.1%	0.0%	8.0%
Montgomery	217	7.9%	-11.1%	6.1%
Prince George's	660	23.9%	-11.3%	-1.8%
Queen Anne's	31	1.1%	4.8%	-0.9%
Somerset	21	0.8%	225.2%	62.8%
St. Mary's	46	1.7%	55.4%	5.4%
Talbot	17	0.6%	0.8%	90.3%
Washington	82	3.0%	-9.9%	5.7%
Wicomico	46	1.7%	-17.2%	-11.7%
Worcester	38	1.4%	8.4%	-37.3%
Maryland	2,765	100.0%	-19.2%	-12.0%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

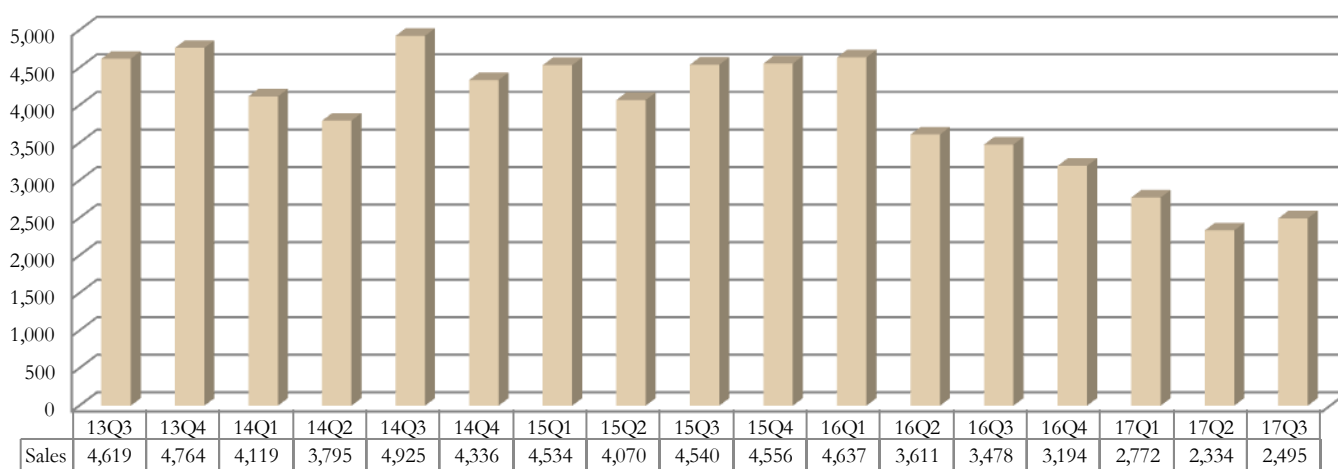
Notices of Foreclosure Sales

THIRD QUARTER 2017

Foreclosure sale or judgment of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) grew 6.9 percent from the prior quarter to 2,495 filings, increasing for the first period in five quarters (Chart 4). Compared with the third quarter 2016, foreclosure sales dropped 28.3 percent. Foreclosure sales increased in 16 Maryland jurisdictions from the previous quarter, falling in only six counties: Allegany, Garrett, Harford, Prince George’s, Queen Anne’s, Somerset, and Washington. On an annual basis, however, foreclosure sales declined in nearly all Maryland jurisdictions, but increased in Dorchester and Wicomico counties.

Foreclosure sales fell 7.6 percent in Prince George’s County to 554 notices, and were down 30.2 percent below last year’s volume. Foreclosure sales in the county accounted for 22.2 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore City with 444 notices, or 17.8 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City inched up 8.9 percent from the preceding quarter, but remained below last year levels, dropping 20.9 percent compared with the same period in 2016. Baltimore County with 379 notices, or 15.2 percent of the total, had the third highest number of foreclosure sales. Notices of sales in this county increased 13.7 percent from the previous quarter, down by 22.3 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (202 sales, or 8.1 percent) and Montgomery (171 sales, or 6.9 percent), respectively. Together, these jurisdictions accounted for 70.1 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
THIRD QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
THIRD QUARTER 2017

Jurisdiction	2017 Q3		% Change from	
	Number	% of Total	2017 Q2	2016 Q3
Allegany	21	0.8%	-18.4%	-39.9%
Anne Arundel	202	8.1%	7.2%	-27.5%
Baltimore	379	15.2%	13.7%	-22.3%
Baltimore City	444	17.8%	8.9%	-20.9%
Calvert	40	1.6%	24.8%	-41.7%
Caroline	19	0.8%	95.6%	-9.9%
Carroll	51	2.0%	6.0%	-19.4%
Cecil	41	1.6%	20.6%	-34.9%
Charles	108	4.3%	32.3%	-26.5%
Dorchester	18	0.7%	78.7%	29.1%
Frederick	94	3.8%	33.8%	-22.9%
Garrett	5	0.2%	-46.2%	-28.9%
Harford	95	3.8%	-1.6%	-17.1%
Howard	61	2.4%	9.3%	-42.1%
Kent	5	0.2%	-43.6%	-58.4%
Montgomery	171	6.9%	6.0%	-45.3%
Prince George's	554	22.2%	-7.6%	-30.2%
Queen Anne's	11	0.5%	-20.4%	-45.6%
Somerset	7	0.3%	-31.2%	-69.7%
St. Mary's	41	1.7%	24.8%	-35.7%
Talbot	13	0.5%	160.0%	-35.0%
Washington	48	1.9%	-1.7%	-25.9%
Wicomico	44	1.8%	27.3%	25.9%
Worcester	23	0.9%	33.6%	-49.5%
Maryland	2,495	100.0%	6.9%	-28.3%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

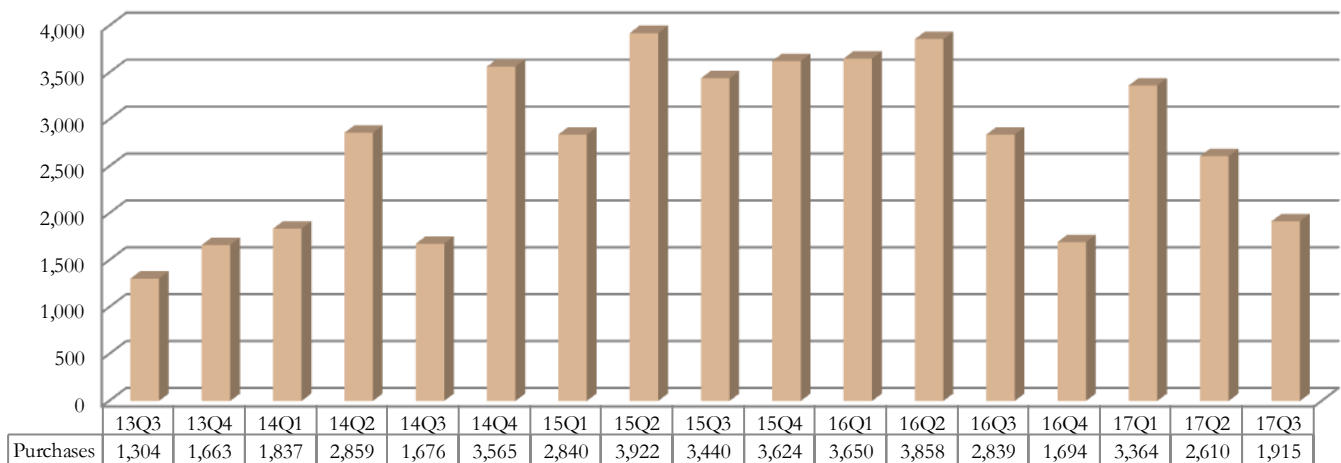
Lender Purchases of Foreclosed Properties

THIRD QUARTER 2017

Lender purchases of real estate owned by the lender (the final step in the foreclosure process that conveys property ownership back to lender) declined this quarter, falling down 26.6 percent to 1,915 properties. Purchases fell below 2,000 nearing the recent low in the last quarter of 2016. Compared to sales in the third quarter of 2016, lender purchases continued to trend downward for the sixth consecutive quarter, dropping 32.5 percent. Lender purchases decreased in 10 jurisdictions from the previous quarter, rising in the other 14. Kent County experienced an increase of greater than 100 percent. Compared with year ago levels, lender purchases declined in most jurisdictions, with the exception of Cecil, Garrett, Somerset, and Talbot counties.

By jurisdiction, 385 lender purchases occurred in Baltimore City, representing 20.1 percent of all lender purchases statewide, the largest share (Table 4). The number of lender purchases in this county fell by 24.7 percent below the previous quarter and by 30.5 percent below the same period last year. Prince George’s County, with 378 lender purchases (19.8 percent of the total) had the second highest concentration in Maryland. Lender purchases in the county fell 47.5 percent in the second quarter, 27.1 percent below last year. Baltimore County, with 303 lender purchases (15.8 percent of the total), had the third highest concentration in Maryland. Lender purchases in the county were down by 27.3 percent from the previous quarter, but were down 40.7 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Anne Arundel (137 purchases or 7.1 percent) and Harford (84 purchases or 4.4 percent) counties. Together, these jurisdictions represented 67.3 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
THIRD QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
THIRD QUARTER 2017**

Jurisdiction	2017 Q3		% Change from	
	Number	% of Total	2017 Q2	2016 Q3
Allegany	24	1.2%	-26.5%	-18.9%
Anne Arundel	137	7.1%	-6.9%	-38.6%
Baltimore	303	15.8%	-27.3%	-40.7%
Baltimore City	385	20.1%	-24.7%	-30.5%
Calvert	32	1.7%	27.4%	-41.3%
Caroline	15	0.8%	12.4%	-39.0%
Carroll	40	2.1%	60.6%	-10.8%
Cecil	48	2.5%	17.1%	41.2%
Charles	72	3.7%	-18.8%	-16.8%
Dorchester	16	0.8%	36.0%	-48.2%
Frederick	61	3.2%	38.9%	-41.3%
Garrett	10	0.5%	31.0%	74.7%
Harford	84	4.4%	-38.3%	-27.4%
Howard	30	1.6%	-51.6%	-44.3%
Kent	11	0.6%	406.7%	-18.2%
Montgomery	70	3.7%	-59.3%	-63.7%
Prince George's	378	19.8%	-47.5%	-27.1%
Queen Anne's	16	0.8%	46.8%	-16.7%
Somerset	11	0.6%	-10.7%	25.8%
St. Mary's	35	1.8%	85.4%	-40.3%
Talbot	11	0.6%	79.4%	37.5%
Washington	55	2.9%	15.1%	-24.2%
Wicomico	50	2.6%	17.7%	-2.9%
Worcester	22	1.1%	53.5%	-12.3%
Maryland	1,915	100.0%	-26.6%	-32.5%

Source: RealtyTrac and DHCD, Housing and Economic Research Office