



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FOURTH QUARTER 2019

DECEMBER 2019

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FOURTH QUARTER 2019

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Property Foreclosure Events in Maryland

FOURTH QUARTER 2019

Executive Summary

RealtyTrac reported a total of 149,339 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 fourth quarter of 2019, up 2.4 percent from the previous quarter and down by 9.2 percent from levels a year ago (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, increased to 11.3, up 30 basis points from 11.0 in the previous quarter.

Fourth quarter foreclosure data show that foreclosure activity increased in 10 of the 21 (47.6 percent) judicial states compared to 15 of the 30 (50.0 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 dropped in 25 states and in the District of Columbia and increased in the other 25 states. The top five increases in the fourth quarter of 2019 were in Arkansas, Idaho, Massachusetts, Minnesota, and Nevada, while the largest declines were in Hawaii, Kansas, Montana, Rhode Island, and Wyoming. Compared with the same period in 2018, total foreclosure events declined in 37 states and in the District of Columbia, from Minnesota with a reduction of 0.7 percent to a 33.3 percent reduction in Oregon. Thirteen states saw increases in foreclosures ranging between 1.8 percent in Utah to 95.9 percent in North Dakota.

In Maryland, foreclosure activity or events fell by 8.8 percent to 4,483, a decline of 430 events. Foreclosure activity is prone to fluctuate but this is the first time in over 13 years that the state has experienced six consecutive quarterly decreases. Maryland continues to have a strong downward trend of foreclosure activity on an annual basis as well, this quarter marking the 15th consecutive quarter of year-over-year declines (Exhibits 1 and 2).

New foreclosure filings in Maryland decreased 27.9 percent to 1,878 events in the fourth quarter. Foreclosure sales decreased by 19.5 percent from the prior quarter to 1,506, a 30.5 percent decrease from the same quarter last year. However, lender purchases increased 65.1 percent to 1,428 properties, an increase of 8.1 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 1.8 foreclosures per 10,000 households to 18.7 in the fourth quarter of 2019. Maryland remained one of the top five states with the highest foreclosure rates nationwide—along with Delaware, Florida, Illinois, and New Jersey—and the state's foreclosure rate was 66.1 percent above the U.S. rate of 11.3 in the fourth quarter. The U.S. rate fell by 0.3 foreclosures per 10,000 households from the preceding quarter. Maryland's ranking dropped to the fourth-highest state-ranked foreclosure rate (after Delaware, Illinois, and New Jersey) and Pennsylvania and Virginia both fell in ranking to 14th highest and 32nd highest, respectively.

RealtyTrac's method reports total number of filings in these stages of foreclosure. As a result, the sum of the 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.

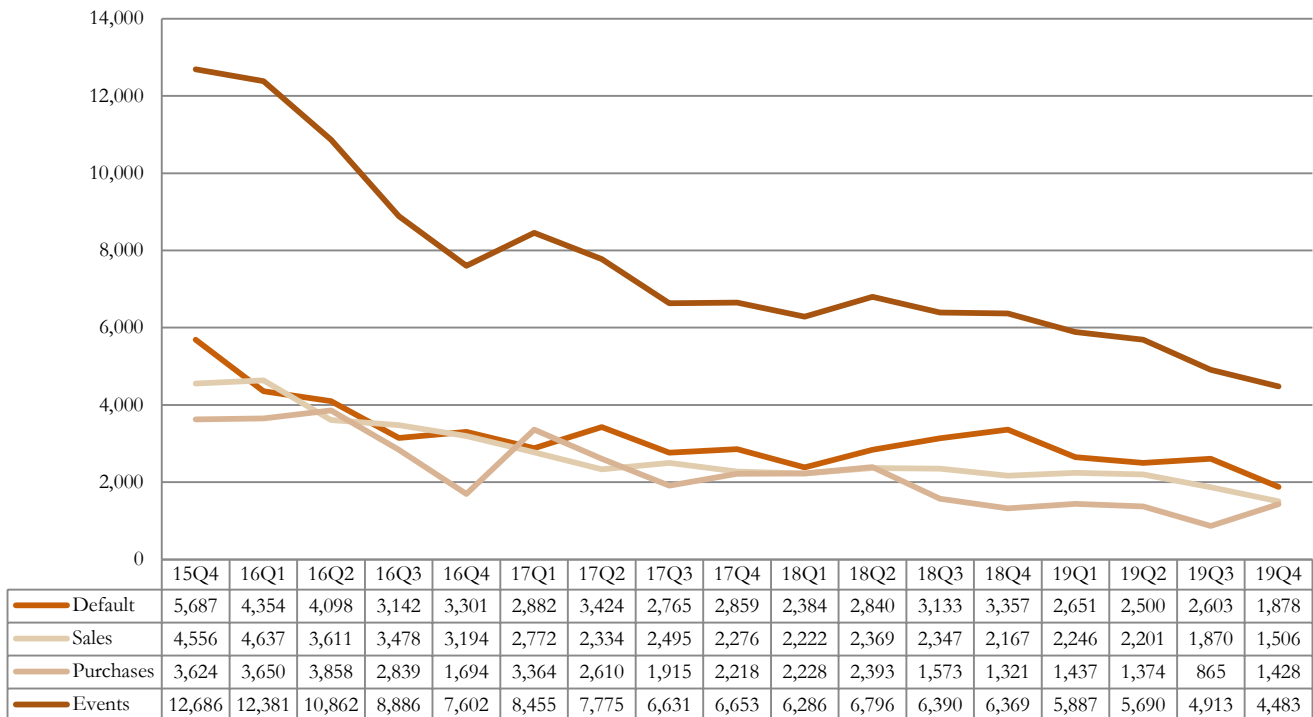
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FOURTH QUARTER 2019

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
Maryland				
Number of Events	1,878	1,506	1,428	4,483
Change (Last Quarter)	-27.9%	-19.5%	65.1%	-8.8%
Change (Last Year)	-44.1%	-30.5%	8.1%	-29.6%
U.S.				
Number of Events	51,868	65,128	41,378	149,339
Change (Last Quarter)	7.3%	-7.2%	20.2%	2.4%
Change (Last Year)	-6.0%	-8.1%	-9.2%	-9.2%

*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.

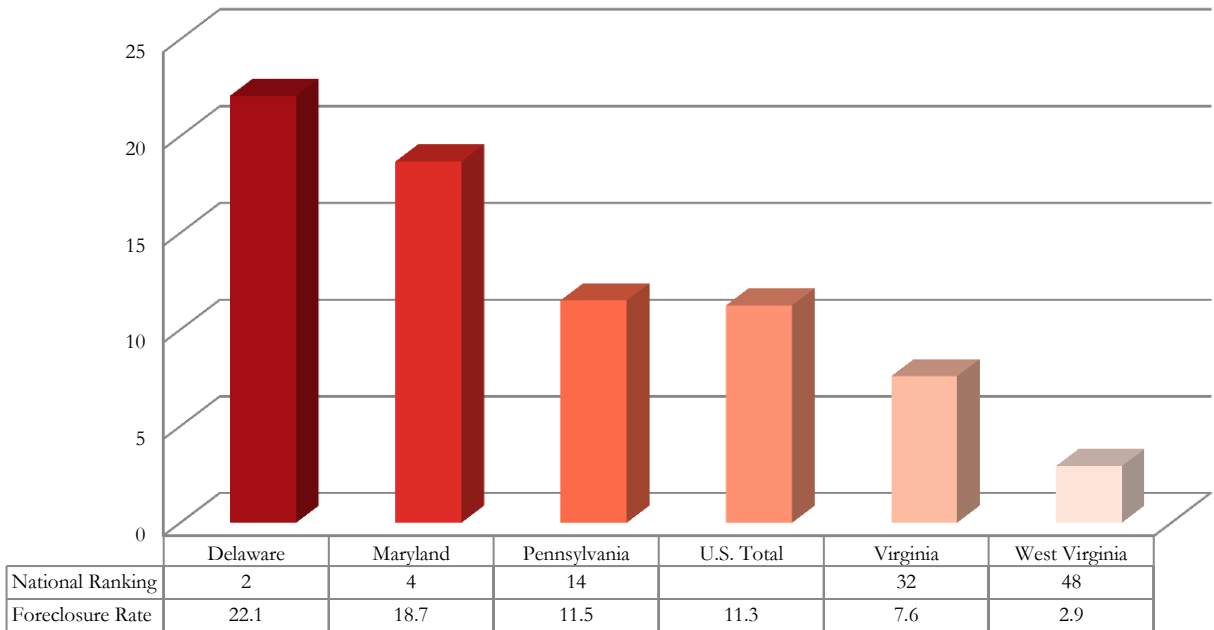
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



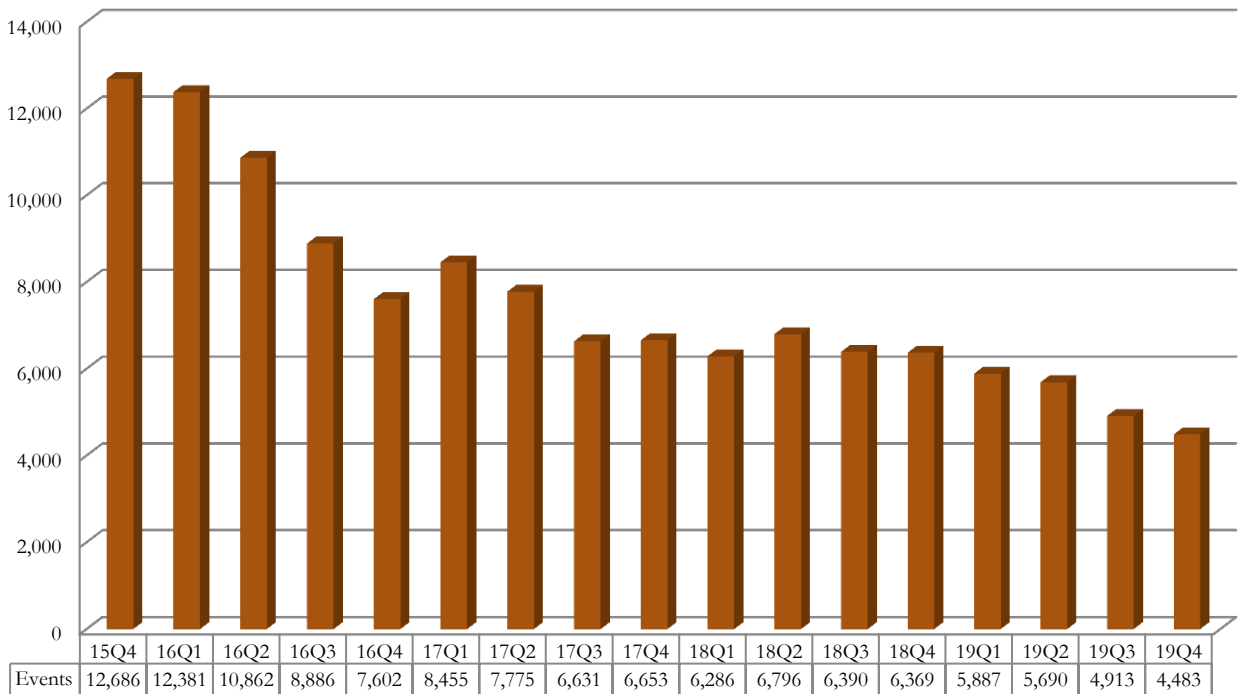
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. TOTAL FORECLOSURE ACTIVITY
 FOURTH QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of fourth quarter foreclosure events in Maryland. Compared to the third quarter, foreclosure events grew in six Maryland jurisdictions and declined in the other 18 jurisdictions. When compared with levels a year ago, foreclosure activity declined in all 24 jurisdictions. Baltimore City had the highest growth from the previous quarter with 43.6 percent and Worcester County recorded the largest decline statewide at 65.2 percent. From year ago levels, all jurisdictions saw declines—Baltimore City declined the least at 1.1 percent while Talbot County declined the most at 72.1 percent.

Baltimore City with 1,009 events had the largest share of foreclosures statewide, accounting for 22.5 percent of the total. Foreclosure activity in the county grew 43.6 percent since the preceding quarter and dropped 1.1 percent from the prior year. Prince George’s County had the second-largest share of foreclosures—21.9 percent—at 983 events, a decrease of 8.8 percent since last quarter and a decline of 26.1 percent from year ago levels. Baltimore County with 716 events, or 16.0 percent of the total, had the third-highest share in Maryland; foreclosures in the county dropped since last quarter as well as a year ago by 5.1 percent and 31.5 percent, respectively.

Other jurisdictions with relatively large shares of foreclosure events include Anne Arundel with 296 events (6.6 percent), Montgomery (276 events or 6.2 percent), Harford (170 properties or 3.8 percent of the total), Charles (148 events or 3.3 percent), Frederick (133 events or 3.0 percent), Howard (132 events or 3.0 percent), and Calvert (89 events or 2.0 percent). These 10 jurisdictions represented 88.2 percent of all foreclosures events in Maryland.

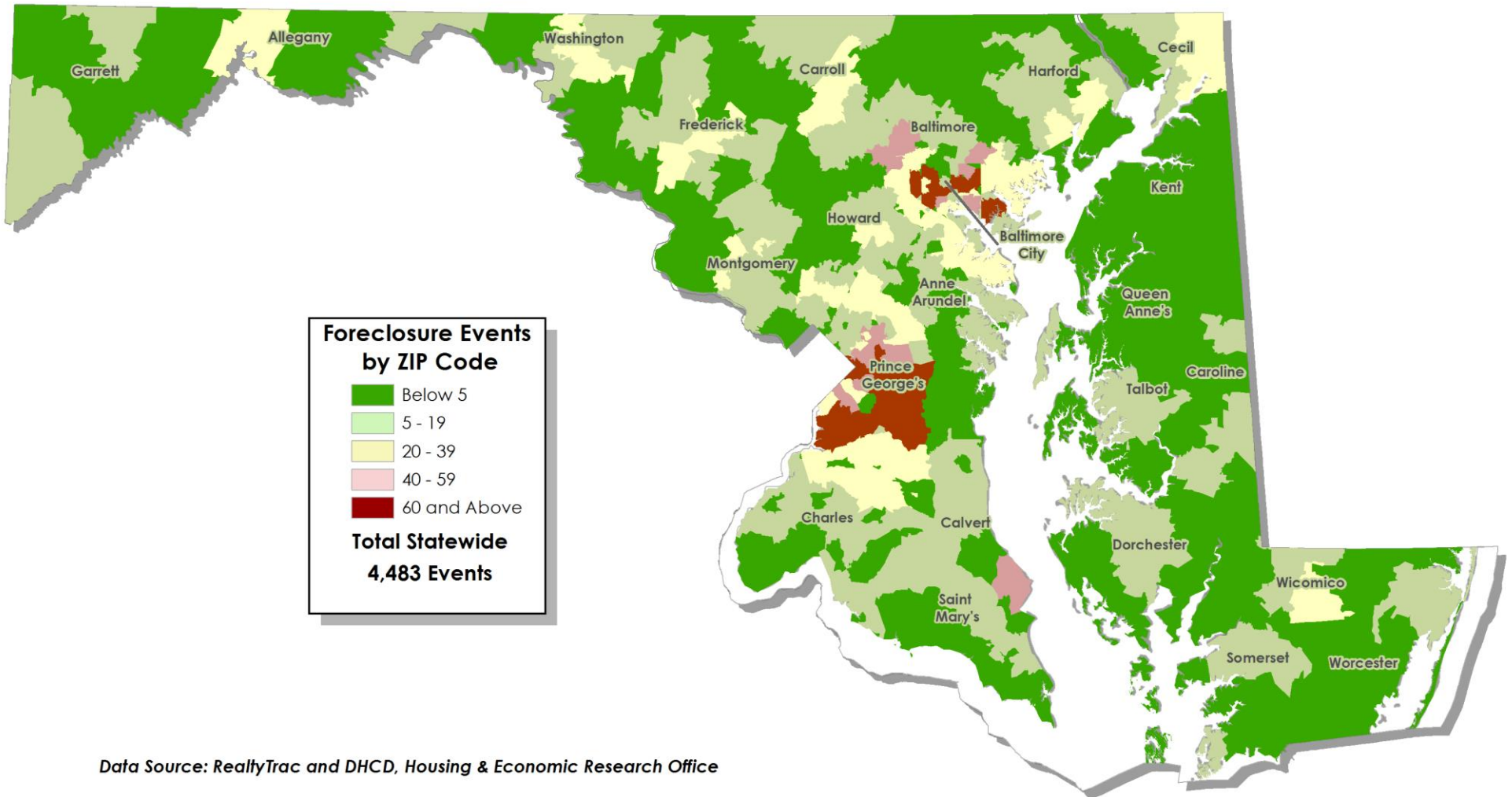
TABLE 1. PROPERTY FORECLOSURE EVENTS
FOURTH QUARTER 2019

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2019 Q3	2018 Q4
Allegany	15	14	21	46	1.0%	-33.9%	-47.7%
Anne Arundel	114	98	107	296	6.6%	-37.3%	-44.8%
Baltimore	355	225	205	716	16.0%	-5.1%	-31.5%
Baltimore City	432	261	388	1,009	22.5%	43.6%	-1.1%
Calvert	37	29	29	89	2.0%	2.3%	-20.4%
Caroline	7	6	10	23	0.5%	-42.8%	-39.3%
Carroll	34	22	19	70	1.6%	-17.8%	-40.9%
Cecil	17	18	21	53	1.2%	-30.3%	-49.5%
Charles	49	54	53	148	3.3%	-27.2%	-40.2%
Dorchester	12	9	14	35	0.8%	30.5%	-11.5%
Frederick	32	56	50	133	3.0%	9.1%	-24.9%
Garrett	7	6	8	20	0.4%	15.7%	-30.8%
Harford	61	59	61	170	3.8%	0.7%	-37.5%
Howard	54	56	33	132	3.0%	-13.4%	-28.9%
Kent	0	2	10	11	0.3%	-35.7%	-47.2%
Montgomery	98	125	75	276	6.2%	-18.9%	-36.3%
Prince George's	512	344	199	983	21.9%	-8.8%	-26.1%
Queen Anne's	0	10	15	23	0.5%	-44.2%	-67.9%
Somerset	0	6	8	14	0.3%	-45.6%	-58.6%
St. Mary's	0	20	36	54	1.2%	-46.2%	-57.1%
Talbot	0	8	5	12	0.3%	-59.0%	-72.1%
Washington	14	51	27	84	1.9%	-45.4%	-44.7%
Wicomico	28	18	23	64	1.4%	-26.3%	-29.5%
Worcester	1	9	12	22	0.5%	-65.2%	-59.3%
Maryland	1,878	1,506	1,428	4,483	100.0%	-8.8%	-29.6%

*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

Fourth Quarter 2019



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

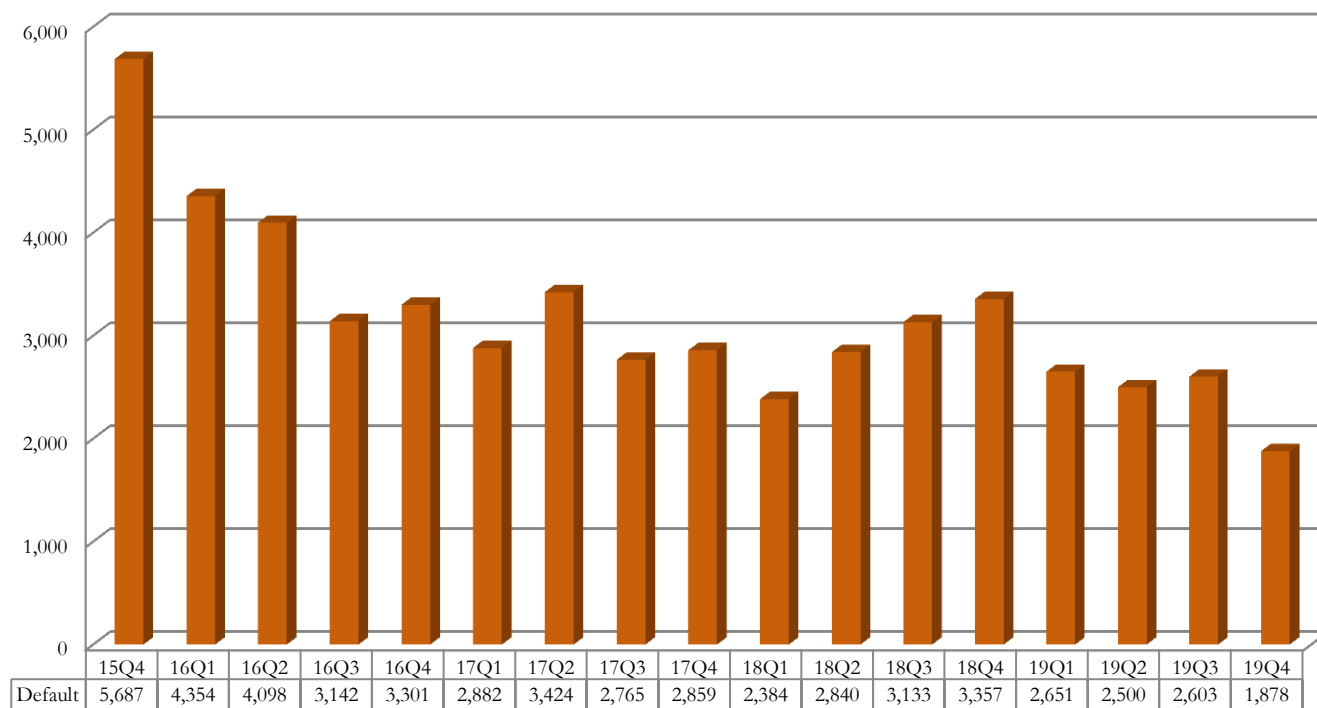
Notices of Mortgage Loan Default

FOURTH QUARTER 2019

Default notices (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 27.9 percent to 1,878 filings in the fourth quarter (Chart 3). This is also a 44.1 percent decrease from the fourth quarter of 2018. All jurisdictions experienced a year-over-year decline in default notices while all but two jurisdictions decreased since last quarter.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 27.2 percent of all filings statewide or 512 notices (Table 2). The county’s default notices dropped 22.6 percent from the previous quarter and 29.2 percent below last year’s volume. Baltimore City, with 432 default notices (23.0 percent of the total), had the second-highest number of defaults in Maryland. The city’s new defaults rose 39.5 percent from the preceding quarter but fell 10.4 percent from last year’s level. Baltimore County, with 355 default notices, or 18.9 percent of the total, had the third-highest number of notices. The county’s default notices decreased 3.7 percent from the previous quarter and by 41.8 percent from last year’s volume. Other counties with high defaults include Anne Arundel County which had the fourth-largest share with 114 notices or a 6.1 percent share, and Montgomery with the fifth-highest number of notices (98 default notices, or 5.2 percent of the total). Together, these five jurisdictions represented 80.4 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FOURTH QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FOURTH QUARTER 2019

Jurisdiction	2019 Q4		% Change from	
	Number	% of Total	2019 Q3	2018 Q4
Allegany	15	0.8%	-62.8%	-71.0%
Anne Arundel	114	6.1%	-53.7%	-58.3%
Baltimore	355	18.9%	-3.7%	-41.8%
Baltimore City	432	23.0%	39.5%	-10.4%
Calvert	37	2.0%	8.6%	-11.9%
Caroline	7	0.3%	-64.7%	-73.5%
Carroll	34	1.8%	-17.3%	-43.9%
Cecil	17	0.9%	-46.9%	-57.5%
Charles	49	2.6%	-50.7%	-57.1%
Dorchester	12	0.7%	-3.9%	-48.4%
Frederick	32	1.7%	-50.6%	-67.8%
Garrett	7	0.4%	-10.6%	-44.2%
Harford	61	3.2%	-36.0%	-57.2%
Howard	54	2.9%	-48.6%	-48.6%
Kent	0	0.0%	-100.0%	-100.0%
Montgomery	98	5.2%	-43.7%	-55.1%
Prince George's	512	27.2%	-22.6%	-29.2%
Queen Anne's	0	0.0%	-100.0%	-100.0%
Somerset	0	0.0%	-98.3%	-98.5%
St. Mary's	0	0.0%	-99.4%	-99.5%
Talbot	0	0.0%	-100.0%	-100.0%
Washington	14	0.8%	-82.0%	-81.4%
Wicomico	28	1.5%	-42.5%	-46.9%
Worcester	1	0.0%	-98.2%	-97.9%
Maryland	1,878	100.0%	-27.9%	-44.1%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

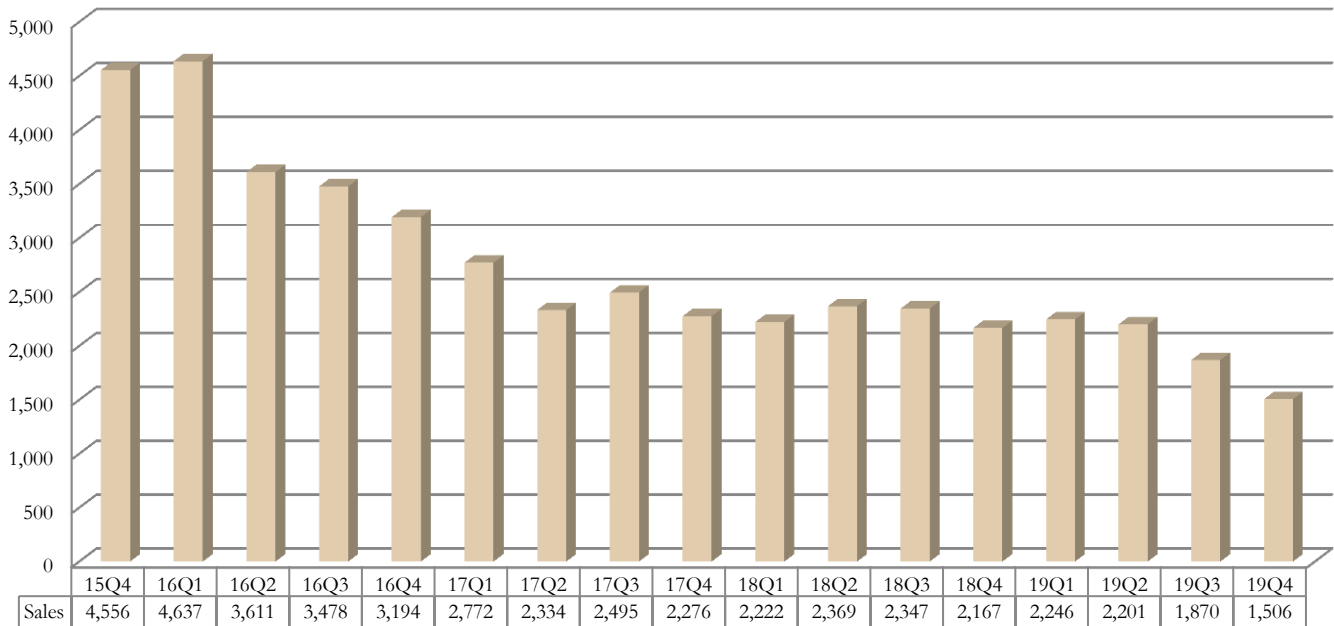
Notices of Foreclosure Sales

FOURTH QUARTER 2019

Foreclosure sales notices, or judgment of sales notices, (orders signed by a judge authorizing the sale of a property at a public auction) decreased 19.5 percent from the prior quarter to 1,506 filings (Chart 4). Compared to the fourth quarter of 2018, foreclosure sales also dropped 30.5 percent. Foreclosure sales fell in 15 jurisdictions from the previous quarter and increased in the other nine. On an annual basis, foreclosure sales declined in all jurisdictions except Washington County, which saw an increase in sales, and Talbot County, which didn't see a change at all. Talbot County, however, had the most significant quarterly growth with eight foreclosure sales and a growth of 300.0 percent. Worcester County had the most significant quarterly decline with nine foreclosure sales, a decrease of 51.7 percent; year-over-year, Kent County experienced the largest drop at 61.7 percent and two foreclosure sales in the fourth quarter.

Prince George's County accounted for the jurisdiction with the highest share of foreclosure sales at 344 notices or 22.8 percent of all Maryland notices (Table 3). Current quarter foreclosure sales fell by 7.7 percent in Prince George's, however, a drop of 28.6 since the fourth quarter of 2018. Baltimore City with 261 notifications, or 17.3 percent of the total, had the second-highest number of foreclosure sales in Maryland. Foreclosure sales in the city decreased 24.0 percent from the preceding quarter and 28.6 percent compared with the same period in 2018. Baltimore County—with 225 notices, or 14.9 percent of the total—had the third-highest number of foreclosure sales. Notices of sales in this county decreased 32.4 percent from the previous quarter and by 24.9 percent from the same period last year. The fourth- and fifth-highest shares of foreclosure sales this quarter occurred in Montgomery County (125 sales, or 8.3 percent) and Anne Arundel County (98 sales, or 6.5 percent), respectively. Together, these jurisdictions accounted for 69.9 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FOURTH QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FOURTH QUARTER 2019

Jurisdiction	2019 Q4		% Change from	
	Number	% of Total	2019 Q3	2018 Q4
Allegany	14	0.9%	1.4%	-45.7%
Anne Arundel	98	6.5%	-45.9%	-52.3%
Baltimore	225	14.9%	-32.4%	-24.9%
Baltimore City	261	17.3%	-24.0%	-28.6%
Calvert	29	1.9%	-8.1%	-8.1%
Caroline	6	0.4%	-41.9%	-53.1%
Carroll	22	1.4%	-28.7%	-32.0%
Cecil	18	1.2%	-33.3%	-45.5%
Charles	54	3.6%	-30.7%	-47.8%
Dorchester	9	0.6%	-20.4%	-30.5%
Frederick	56	3.7%	29.2%	-10.7%
Garrett	6	0.4%	-27.3%	-54.7%
Harford	59	3.9%	0.5%	-37.5%
Howard	56	3.7%	33.0%	-12.5%
Kent	2	0.1%	14.9%	-61.7%
Montgomery	125	8.3%	-12.6%	-27.5%
Prince George's	344	22.8%	-7.7%	-28.6%
Queen Anne's	10	0.7%	44.1%	-18.2%
Somerset	6	0.4%	44.6%	-15.5%
St. Mary's	20	1.3%	-43.8%	-45.8%
Talbot	8	0.5%	300.0%	0.0%
Washington	51	3.4%	2.6%	12.8%
Wicomico	18	1.2%	-24.9%	-30.7%
Worcester	9	0.6%	-51.7%	-45.3%
Maryland	1,506	100.0%	-19.5%	-30.5%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

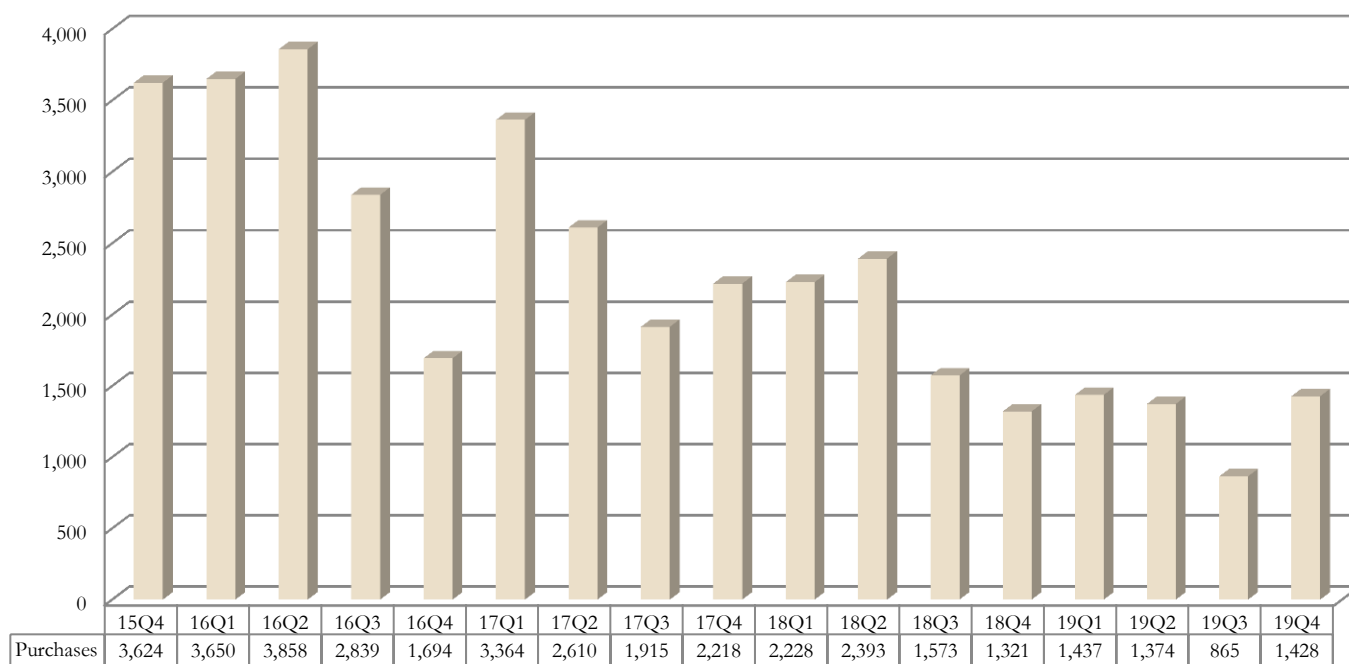
Lender Purchases of Foreclosed Properties

FOURTH 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) increased 65.1 percent since the third quarter to 1,428. This marks the first year-over-year increase—8.1 percent—for Maryland after experiencing seven consecutive quarters of lender purchase declines. Compared to activity in the third quarter of 2019, lender purchases decreased in only six jurisdictions while the state saw a 65.1 percent increase. The largest quarterly decrease was in Talbot County which fell by 37.5 percent to 5 lender purchases. Year-over-year, lender purchases rose in half of the jurisdictions and fell in the other half; the largest drop was also in Talbot County with a 54.5 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, Baltimore City had the highest concentration in Maryland (Table 4) with 388 lender purchases or 27.2 percent of the total. Lender purchases in the county rose by 233.2 percent in the fourth quarter and by 46.2 percent over last year’s volume. Lender purchases in Baltimore County, which totaled 205, accounted for the second-highest concentration at 14.3 percent of purchases statewide. Sales in the county increased by 60.8 percent since last quarter and decreased by 2.7 percent since the fourth quarter of 2018. Prince George’s County, with 199 lender purchases (13.9 percent of the total), had the third-highest concentration in Maryland. Lender purchases in the county were up 57.0 percent from the preceding quarter and down 6.6 percent when compared with levels a year ago. Other jurisdictions with relatively large shares of lender purchases include Anne Arundel (107 purchases or 7.5 percent) and Montgomery (75 purchases or 5.2 percent). Together, these jurisdictions represented 68.1 percent of all lender purchases.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FOURTH QUARTER 2019



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2019 Q4		% Change from	
	Number	% of Total	2019 Q3	2018 Q4
Allegany	21	1.5%	1.3%	-2.3%
Anne Arundel	107	7.5%	34.4%	13.1%
Baltimore	205	14.3%	60.8%	-2.7%
Baltimore City	388	27.2%	233.2%	46.2%
Calvert	29	2.0%	14.7%	-31.6%
Caroline	10	0.7%	-29.3%	112.3%
Carroll	19	1.3%	-5.9%	-45.3%
Cecil	21	1.5%	-16.0%	-41.7%
Charles	53	3.7%	28.9%	27.1%
Dorchester	14	1.0%	156.0%	92.8%
Frederick	50	3.5%	104.0%	89.8%
Garrett	8	0.5%	164.8%	49.3%
Harford	61	4.3%	67.3%	5.1%
Howard	33	2.3%	35.5%	-1.0%
Kent	10	0.7%	88.3%	96.6%
Montgomery	75	5.2%	41.5%	-1.7%
Prince George's	199	13.9%	57.0%	-6.6%
Queen Anne's	15	1.0%	160.7%	26.5%
Somerset	8	0.6%	26.6%	-6.1%
St. Mary's	36	2.5%	102.5%	-0.3%
Talbot	5	0.4%	-37.5%	-54.5%
Washington	27	1.9%	-36.6%	-36.2%
Wicomico	23	1.6%	4.1%	2.4%
Worcester	12	0.8%	-13.9%	-9.5%
Maryland	1,428	100.0%	65.1%	8.1%

Source: RealtyTrac and DHCD, Housing and Economic Research Office