



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2020

MARCH 2020

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Property Foreclosure Events in Maryland
FIRST QUARTER 2020

Table of Contents

EXECUTIVE SUMMARY.....1
NOTICES OF MORTGAGE LOAN DEFAULT.....6
NOTICES OF FORECLOSURE SALES.....8
LENDER PURCHASES OF FORECLOSED PROPERTIES 10

Property Foreclosure Events in Maryland

FIRST QUARTER 2020

Executive Summary

RealtyTrac reported a total of 138,298 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 2020, down 7.4 percent from the previous quarter and down by 14.6 percent from levels a year ago (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased to 10.4, down 90 basis points from 11.3 in the previous quarter.

First quarter foreclosure data show that foreclosure activity increased in just 12 states nationwide: four of the 21 (19.0 percent) judicial states and eight of the 30 (26.7 percent) non-judicial states. In a judicial foreclosure state, the lender is required to file a complaint in court 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.

Foreclosure activity dropped in 38 states and in the District of Columbia since last quarter. The top five decreases in the first quarter of 2020 were in Arkansas, Kansas, Montana, North Dakota, and South Dakota, while the largest increases were in Arizona, California, Texas, Utah, and Wyoming. Compared with the same period in 2019, total foreclosure events declined in 38 states and in the District of Columbia, from Utah with a reduction of 1.4 percent to a 60.3 percent reduction in South Dakota. Eleven states saw increases in foreclosures—ranging between 1.8 percent in Vermont to 45.4 percent in Idaho—and one state, Arizona, remained unchanged since last year.

In Maryland, foreclosure activity or events fell by 15.2 percent to 3,803, a decline of 680 events. Foreclosure activity is prone to fluctuate but this is the first time in over 14 years that the state has experienced seven consecutive quarterly decreases. Maryland continues to have a strong downward trend of foreclosure activity on an annual basis as well, this quarter marking the 16th consecutive quarter of year-over-year declines (Exhibits 1 and 2).

New foreclosure filings in Maryland decreased 21.2 percent to 1,480 events in the first quarter and by 44.2 percent from year ago levels. Foreclosure sales decreased by 8.0 percent from the prior quarter to 1,385, a 38.3 percent decline from the same quarter last year. Lender purchases were also on the decline, falling 22.5 percent to 1,107 properties, 23.0 percent during the same time last year. Decreases in foreclosure inventory bode well for the ongoing recovery in the housing market and the economy at large.

Foreclosure rates in Maryland decreased by 2.9 foreclosures per 10,000 households to 15.8 in the first quarter of 2020. Maryland remained one of the top five states with the highest foreclosure rates nationwide—along with Delaware, Illinois, New Jersey, and South Carolina—and the state's foreclosure rate was 52.1 percent above the U.S. rate of 10.4 in the first quarter. The U.S. rate fell by 0.8 foreclosures per 10,000 households from the preceding quarter. Maryland's ranking remains the fourth-highest state-ranked foreclosure rate (after Delaware, Illinois, and New Jersey) while Pennsylvania fell to 18th highest and Virginia remained at 32nd highest.

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" are used interchangeably in this report.

EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.

FIRST QUARTER 2020

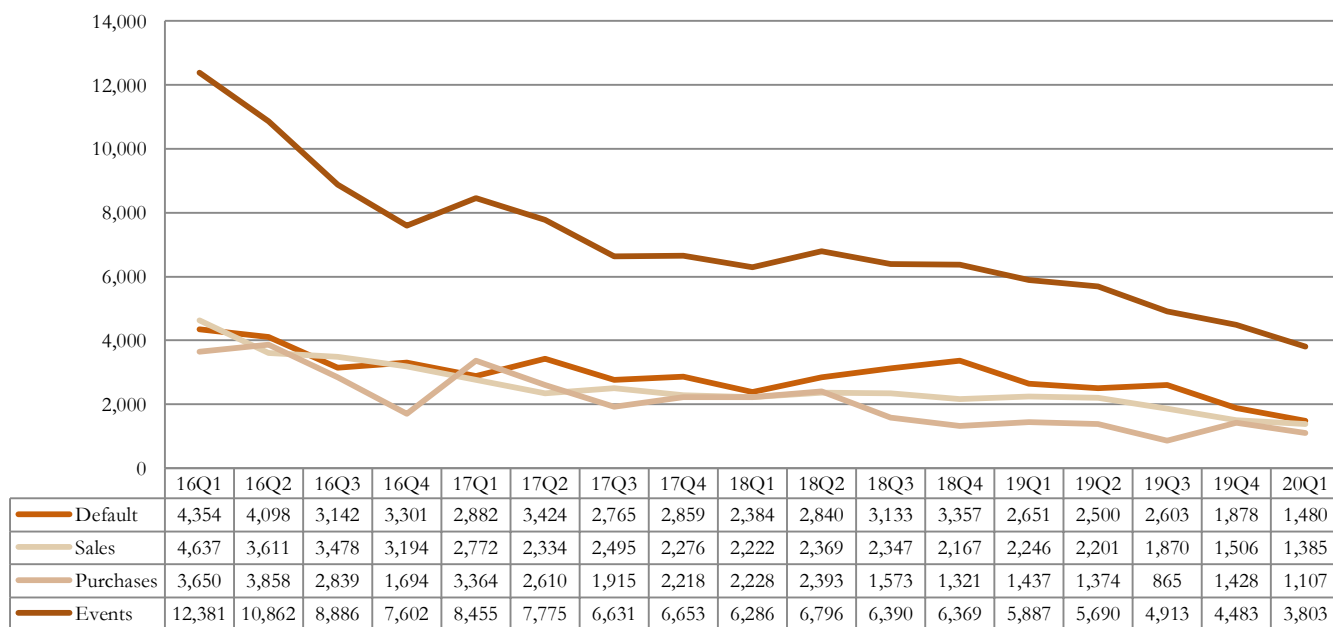
Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
Maryland				
Number of Events	1,480	1,385	1,107	3,803
Change (Last Quarter)	-21.2%	-8.0%	-22.5%	-15.2%
Change (Last Year)	-44.2%	-38.3%	-23.0%	-35.4%
U.S.				
Number of Events	52,528	61,459	29,923	138,298
Change (Last Quarter)	1.3%	-5.6%	-27.7%	-7.4%
Change (Last Year)	-9.3%	-19.0%	-16.4%	-14.6%

*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

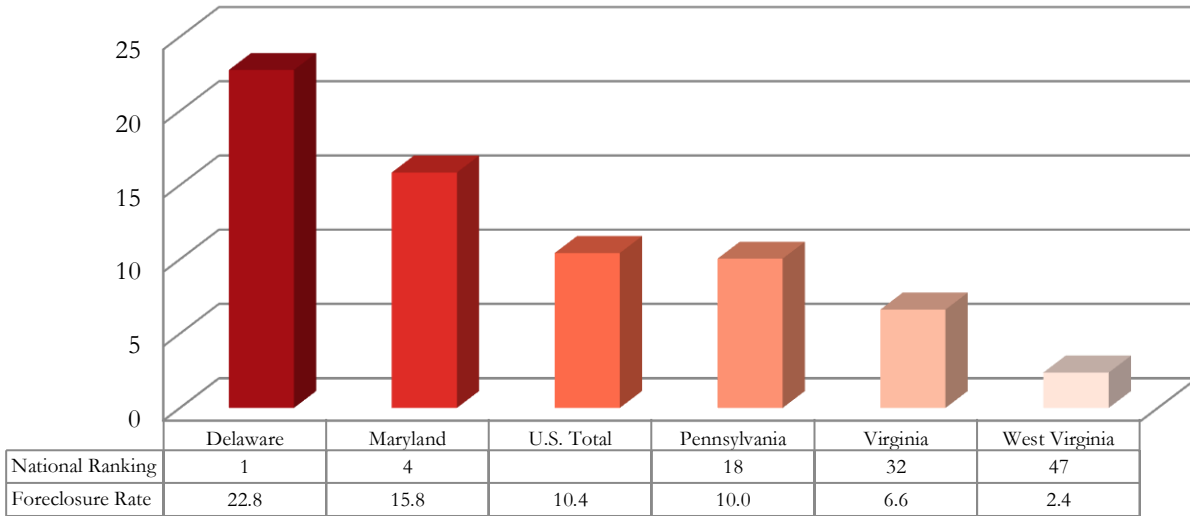
EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND

FIRST QUARTER 2020



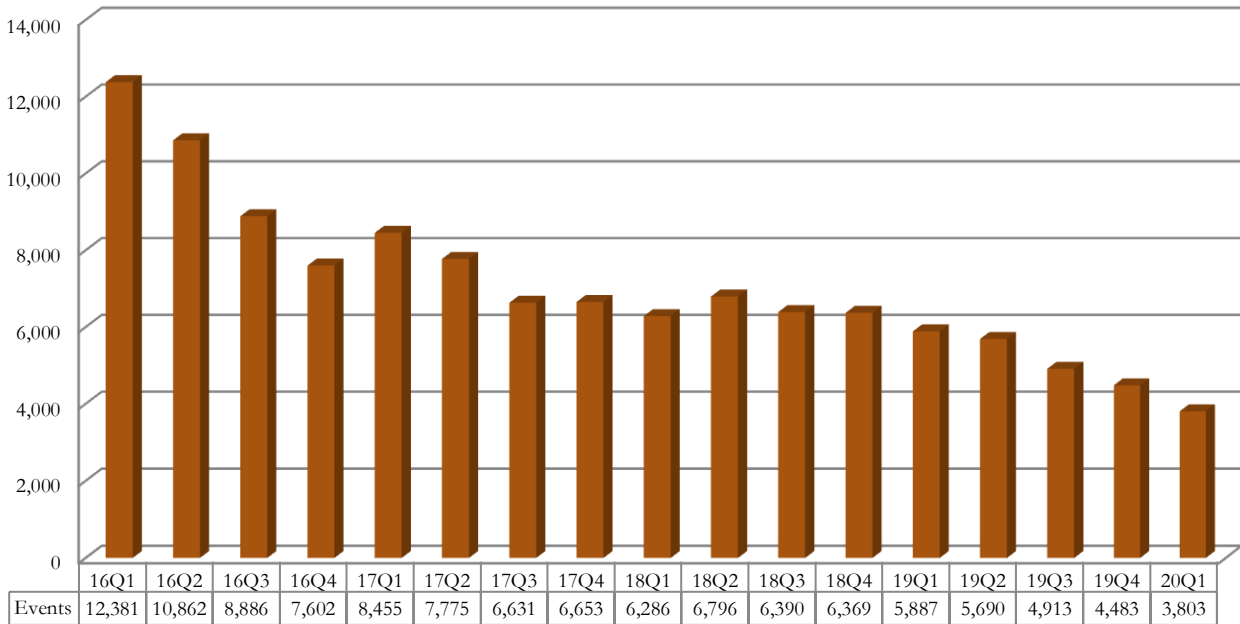
Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 1. FORECLOSURE RATES IN THE REGION
NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
 FIRST QUARTER 2020



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. TOTAL FORECLOSURE ACTIVITY
 FIRST QUARTER 2020



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 eight Maryland jurisdictions and declined in the other 16 jurisdictions. Worcester County had the highest quarterly growth—40.6 percent—and Wicomico County recorded the largest decline statewide at 50.6 percent. When compared with levels a year ago, foreclosure activity fell in all jurisdictions except Garrett County which increased 22.1 percent. The jurisdiction with the biggest year-over-year decrease was Wicomico County with 72.8 percent.

Prince George’s County had the largest share of foreclosures statewide with 870 events, accounting for 22.9 percent of the total. Foreclosure activity in the county dropped both quarterly and annually: 11.5 percent since the preceding quarter and 40.6 percent from the prior year. Baltimore City had the second-largest share of foreclosures—17.8 percent—at 676 events, a decrease of 33.0 percent since last quarter and a decline of 34.4 percent from year ago levels. Baltimore County with 571 events, or 15.0 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 20.2 percent and 29.5 percent, respectively.

Other jurisdictions with relatively large (greater than 100 events) shares of foreclosure events include Anne Arundel with 299 events (7.9 percent), Montgomery (275 events or 7.2 percent), Harford (177 properties or 4.7 percent of the total), Charles (175 events or 4.6 percent) and Frederick (123 events or 3.2 percent. These jurisdictions represent 87.3 percent of all foreclosures events in Maryland.

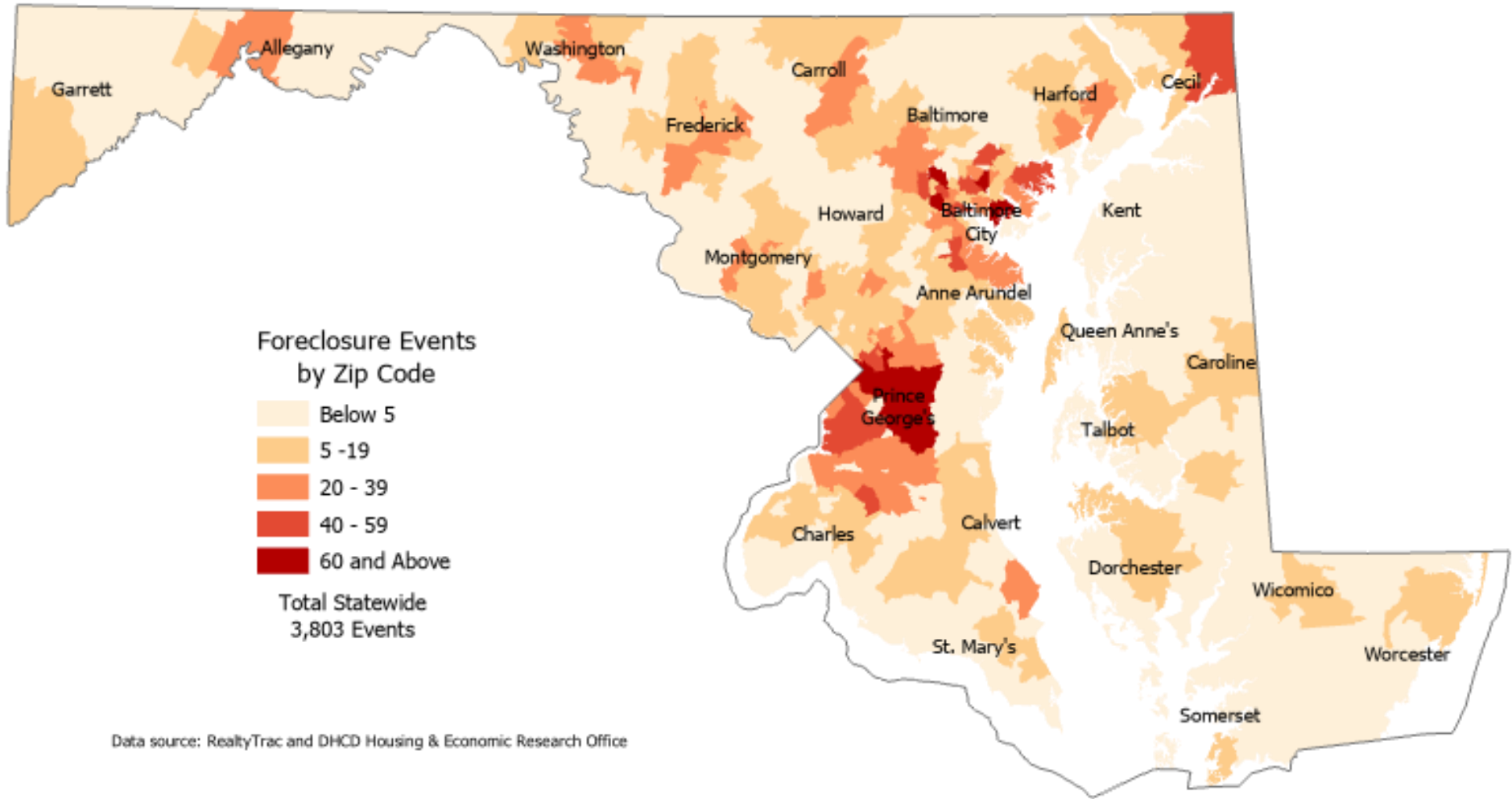
TABLE 1. PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2020

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2019 Q4	2019 Q1
Allegany	19	9	18	43	1.1%	-6.8%	-15.0%
Anne Arundel	118	124	73	299	7.9%	0.8%	-34.2%
Baltimore	278	228	110	571	15.0%	-20.2%	-29.5%
Baltimore City	230	241	233	676	17.8%	-33.0%	-34.4%
Calvert	19	24	27	70	1.8%	-21.3%	-37.1%
Caroline	14	3	5	21	0.5%	-8.2%	-53.0%
Carroll	30	28	28	82	2.2%	17.6%	-21.8%
Cecil	28	16	28	72	1.9%	35.8%	-29.4%
Charles	69	60	51	175	4.6%	18.1%	-33.2%
Dorchester	9	5	15	28	0.7%	-20.3%	-30.4%
Frederick	43	45	37	123	3.2%	-7.7%	-18.9%
Garrett	7	4	8	20	0.5%	0.7%	22.1%
Harford	73	58	53	177	4.7%	4.1%	-9.3%
Howard	18	31	27	70	1.8%	-47.5%	-50.4%
Kent	1	2	5	9	0.2%	-23.9%	-59.3%
Montgomery	90	123	69	275	7.2%	-0.4%	-27.3%
Prince George's	434	290	191	870	22.9%	-11.5%	-40.6%
Queen Anne's	0	7	14	21	0.5%	-11.1%	-51.3%
Somerset	0	5	9	14	0.4%	-0.9%	-55.2%
St. Mary's	0	17	22	39	1.0%	-28.0%	-60.6%
Talbot	0	4	12	16	0.4%	33.3%	-54.3%
Washington	1	35	36	71	1.9%	-14.5%	-49.0%
Wicomico	0	11	21	32	0.8%	-50.6%	-72.8%
Worcester	0	15	17	30	0.8%	40.6%	-32.1%
Maryland	1,480	1,385	1,107	3,803	100.0%	-15.2%	-35.4%

*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

Maryland Foreclosure Events

First Quarter 2020



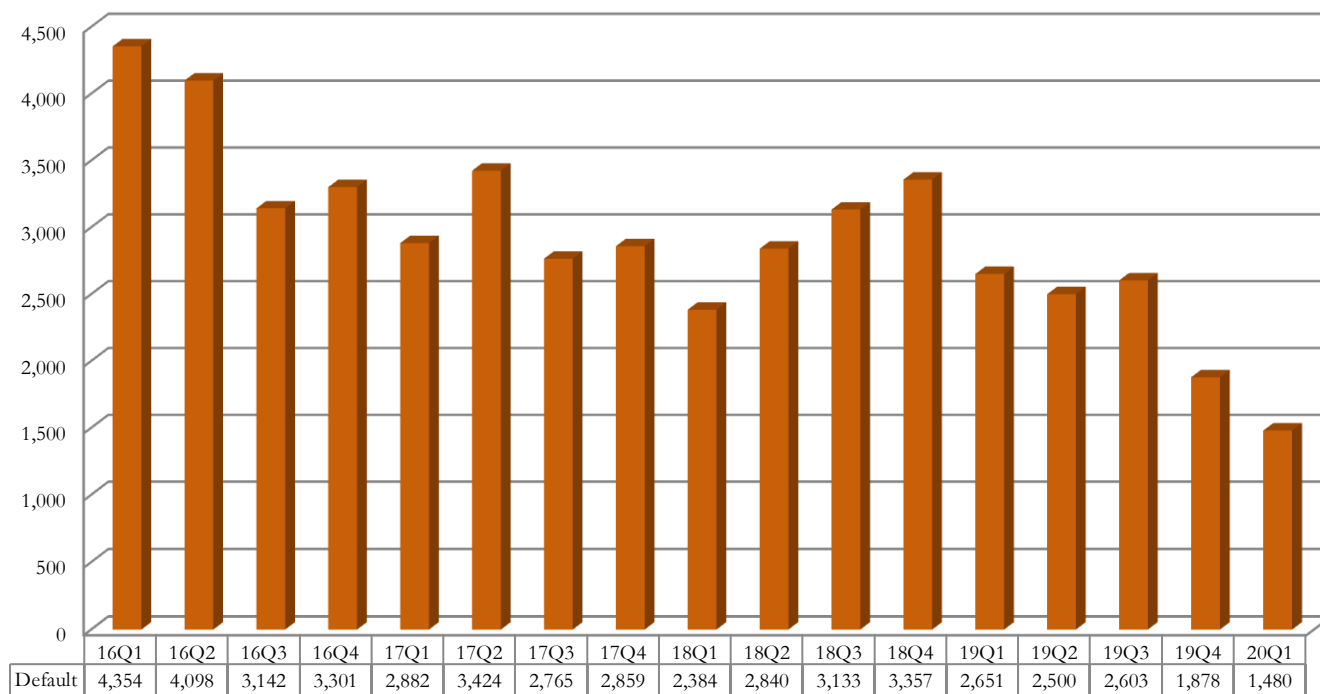
Notices of Mortgage Loan Default

FIRST QUARTER 2020

Default notices (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 21.2 percent to 1,480 filings in the first quarter (Chart 3). This is also a 44.2 percent decrease from the first quarter of 2019. All but three jurisdictions experienced a year-over-year decline in default notices while 10 jurisdictions decreased since last quarter, eight increased, and six remained the same.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 29.3 percent of all filings statewide or 434 notices (Table 2). The county’s default notices dropped 15.2 percent from the previous quarter and 45.4 percent below last year’s volume. Baltimore County, with 278 default notices (18.8 percent of the total), had the second-highest number of defaults in Maryland. The county’s new defaults fell 21.7 percent from the preceding quarter and 6.3 percent from last year’s level. Baltimore City, with 230 default notices, or 15.6 percent of the total, had the third-highest number of notices. The city’s default notices decreased 46.7 percent from the previous quarter and by 54.7 percent from last year’s volume. Other counties with high defaults include Anne Arundel County which had the fourth-largest share with 118 notices or a 7.9 percent share, and Montgomery County with the fifth-highest number of notices (90 default notices, or 6.1 percent of the total). Together, these five jurisdictions represented 77.7 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2020



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2020

Jurisdiction	2020 Q1		% Change from	
	Number	% of Total	2019 Q4	2019 Q1
Allegany	19	1.3%	24.5%	5.8%
Anne Arundel	118	7.9%	3.2%	-35.0%
Baltimore	278	18.8%	-21.7%	-6.3%
Baltimore City	230	15.6%	-46.7%	-54.7%
Calvert	19	1.3%	-48.5%	-64.1%
Caroline	14	0.9%	112.5%	9.5%
Carroll	30	2.0%	-11.2%	-15.9%
Cecil	28	1.9%	64.7%	-40.4%
Charles	69	4.6%	40.7%	-39.2%
Dorchester	9	0.6%	-28.7%	-37.0%
Frederick	43	2.9%	33.5%	-34.9%
Garrett	7	0.5%	5.1%	-0.3%
Harford	73	4.9%	20.4%	20.4%
Howard	18	1.2%	-66.5%	-70.7%
Kent	1	0.1%	n/a	-83.2%
Montgomery	90	6.1%	-7.9%	-43.8%
Prince George's	434	29.3%	-15.2%	-45.4%
Queen Anne's	0	0.0%	n/a	-99.1%
Somerset	0	0.0%	n/a	-100.0%
St. Mary's	0	0.0%	n/a	-100.0%
Talbot	0	0.0%	n/a	-100.0%
Washington	1	0.0%	-96.5%	-99.1%
Wicomico	0	0.0%	-100.0%	-100.0%
Worcester	0	0.0%	n/a	-100.0%
Maryland	1,480	100.0%	-21.2%	-44.2%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

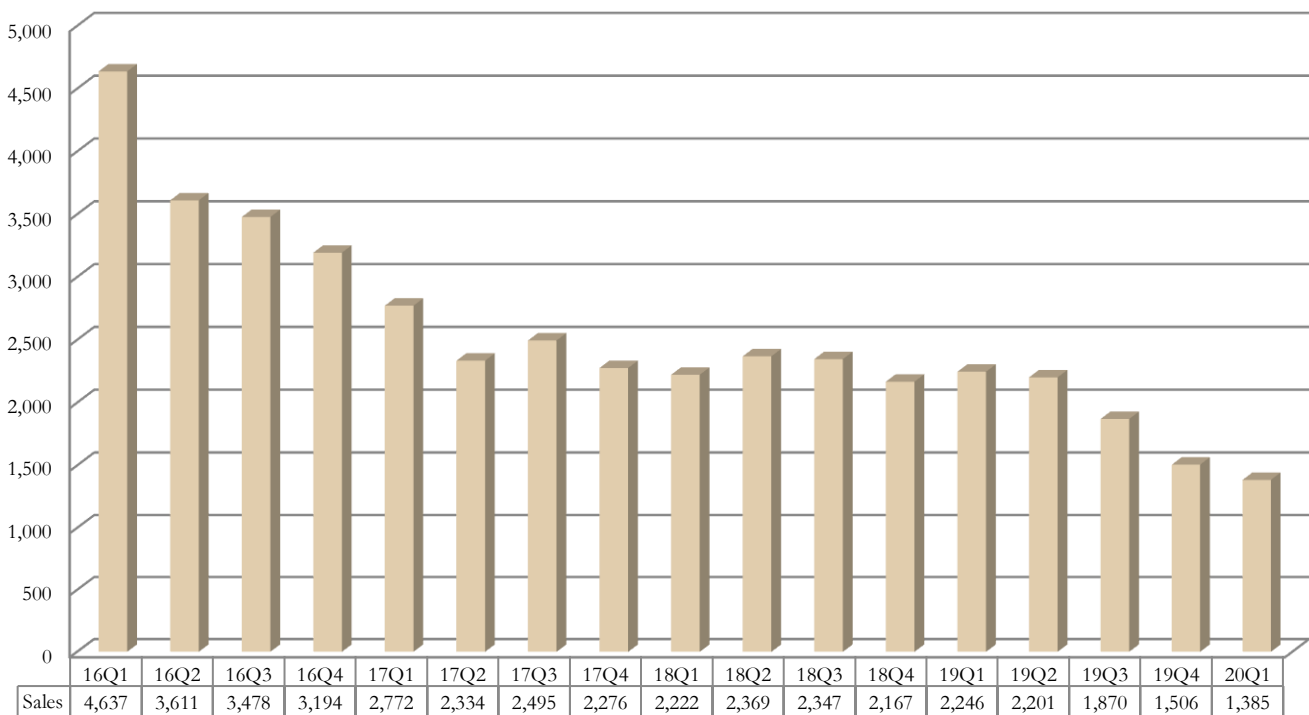
Notices of Foreclosure Sales

FIRST QUARTER 2020

Foreclosure sales notices, or judgment of sales notices, (orders signed by a judge authorizing the sale of a property at a public auction) decreased 8.0 percent from the prior quarter to 1,385 filings (Chart 4). Compared to the first quarter of 2019, foreclosure sales also dropped 38.3 percent. Foreclosure sales fell in 18 jurisdictions from the previous quarter and increased in the other six. On an annual basis, foreclosure sales declined in all of Maryland’s jurisdictions. Worcester County had the most significant quarterly growth of 57.8 percent while Talbot County had the most significant quarterly decline of 50.0 percent; year-over-year, Caroline County experienced the largest drop—84.2 percent.

Prince George’s County accounted for the jurisdiction with the highest share of foreclosure sales at 290 notices or 20.9 percent of all Maryland notices (Table 3). Current quarter foreclosure sales fell by 15.6 percent in Prince George’s and 43.6 percent since the first quarter of 2019. Baltimore City with 241 notifications, or 17.4 percent of the total, had the second-highest number of foreclosure sales in Maryland. Foreclosure sales in the city decreased 7.8 percent from the preceding quarter and 37.2 percent compared with the same period in 2019. Baltimore County—with 228 notices, or 16.5 percent of the total—had the third-highest number of foreclosure sales. Notices of sales in this county increased 1.4 percent from the previous quarter but decreased by 38.4 percent from the same period last year. The fourth- and fifth-highest shares of foreclosure sales this quarter occurred in Anne Arundel County (124 sales, or 9.0 percent) and Montgomery County (123 sales, or 8.8 percent), respectively. Together, these jurisdictions accounted for 72.6 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2020



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2020

Jurisdiction	2020 Q1		% Change from	
	Number	% of Total	2019 Q4	2019 Q1
Allegany	9	0.6%	-38.9%	-64.8%
Anne Arundel	124	9.0%	26.9%	-35.9%
Baltimore	228	16.5%	1.4%	-38.4%
Baltimore City	241	17.4%	-7.8%	-37.2%
Calvert	24	1.7%	-17.4%	-27.5%
Caroline	3	0.2%	-49.1%	-84.2%
Carroll	28	2.0%	29.4%	-39.1%
Cecil	16	1.2%	-11.1%	-60.0%
Charles	60	4.3%	11.2%	-27.4%
Dorchester	5	0.4%	-42.1%	-66.4%
Frederick	45	3.3%	-19.5%	-23.2%
Garrett	4	0.3%	-25.6%	-20.5%
Harford	58	4.2%	-1.1%	-26.7%
Howard	31	2.3%	-44.6%	-46.8%
Kent	2	0.2%	18.0%	-78.3%
Montgomery	123	8.8%	-1.6%	-27.6%
Prince George's	290	20.9%	-15.6%	-43.6%
Queen Anne's	7	0.5%	-36.5%	-59.2%
Somerset	5	0.4%	-17.0%	-36.2%
St. Mary's	17	1.2%	-13.9%	-38.3%
Talbot	4	0.3%	-50.0%	-60.0%
Washington	35	2.5%	-31.4%	-5.3%
Wicomico	11	0.8%	-40.1%	-54.7%
Worcester	15	1.1%	57.8%	-20.7%
Maryland	1,385	100.0%	-8.0%	-38.3%

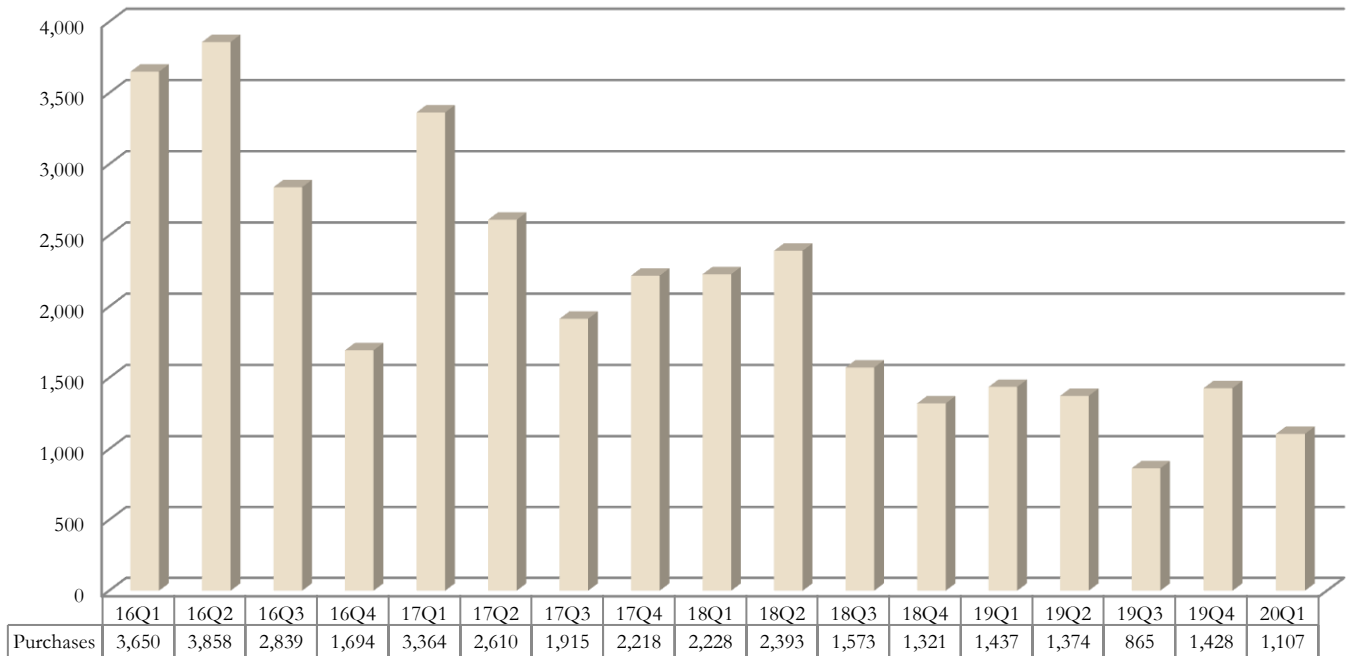
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties FIRST QUARTER 2020

Lender purchases, or real estate owned (REO) by the lender (the final step in the foreclosure process that conveys property ownership back to lender), decreased 22.5 percent since the fourth quarter to 1,107. Compared to activity in the first quarter of 2019, lender purchases decreased in 16 jurisdictions while the state saw a 23.0 percent decrease. The largest quarterly drop was in Caroline County which fell by 54.8 percent to 5 lender purchases. Year-over-year, the largest decline was also in Caroline County with a 71.3 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 233 lender purchases or 21.1 percent of the total. Lender purchases in the county fell by 39.9 percent in the first quarter and by 5.9 percent under last year's volume. REO in Prince George's County, which totaled 191, accounted for the second-highest concentration at 17.2 percent of purchases statewide. Sales in the county fell by 4.0 percent from the prior quarter and by 34.6 percent from first quarter of 2019. Baltimore County, with 110 lender purchases (10.0 percent of the total), had the third-highest concentration in Maryland. Lender purchases in the county were down 46.0 percent from the preceding quarter and 38.2 percent when compared with levels a year ago. Other jurisdictions with relatively large shares of lender purchases include Anne Arundel (73 purchases or 6.6 percent) and Montgomery (69 purchases or 6.2 percent). Together, these jurisdictions represented 61.1 percent of all lender purchases.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FIRST QUARTER 2020



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
FIRST QUARTER 2020**

Jurisdiction	2020 Q1		% Change from	
	Number	% of Total	2019 Q4	2019 Q1
Allegany	18	1.6%	-16.4%	25.5%
Anne Arundel	73	6.6%	-31.5%	-38.1%
Baltimore	110	10.0%	-46.0%	-38.2%
Baltimore City	233	21.1%	-39.9%	-5.9%
Calvert	27	2.4%	-7.6%	-15.4%
Caroline	5	0.4%	-54.8%	-71.3%
Carroll	28	2.5%	47.0%	-15.7%
Cecil	28	2.5%	33.3%	7.7%
Charles	51	4.6%	-3.9%	-36.0%
Dorchester	15	1.4%	9.4%	4.9%
Frederick	37	3.3%	-27.3%	18.0%
Garrett	8	0.7%	6.8%	116.5%
Harford	53	4.8%	-12.3%	-15.1%
Howard	27	2.4%	-19.6%	10.9%
Kent	5	0.5%	-49.1%	-25.6%
Montgomery	69	6.2%	-7.9%	-16.3%
Prince George's	191	17.2%	-4.0%	-34.6%
Queen Anne's	14	1.3%	-6.3%	48.0%
Somerset	9	0.8%	3.0%	-36.4%
St. Mary's	22	2.0%	-39.2%	-35.1%
Talbot	12	1.1%	140.0%	-20.0%
Washington	36	3.2%	31.7%	-32.9%
Wicomico	21	1.9%	-8.4%	-41.1%
Worcester	17	1.5%	41.7%	8.9%
Maryland	1,107	100.0%	-22.5%	-23.0%

Source: RealtyTrac and DHCD, Housing and Economic Research Office