



# PROPERTY FORECLOSURE EVENTS IN MARYLAND

SECOND QUARTER 2022

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SECOND QUARTER 2022

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# Property Foreclosure Events in Maryland

## SECOND QUARTER 2022

### Executive Summary

Second quarter Realty Trac data indicates that property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales or auctions, and lender purchases of foreclosed properties (REO), increased 14.1 percent to 91,467 events from the preceding quarter. Compared with year ago levels, foreclosures increased sharply by 156.5 percent (Exhibit 1) as the housing market returns to some normalcy after foreclosure related restrictions are no longer in place.

The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, increased from 6.0 in the previous quarter to 6.9 in the current quarter. Nationally, foreclosure activity grew in 36 states excluding the District of Columbia but fell in the other 14. Events increased 13 percent in the District of Columbia (The District). Compared with levels from a year ago, foreclosure events increased in 49 states and in the District but was unchanged in South Dakota. The top five quarterly increases were in Alaska (105.7%), West Virginia (93.9%), Colorado (82.9%), Oregon (82.7%) and Minnesota (79.8%) The last declines were recorded in Arizona, Arkansas, Kansas, Maryland and Tennessee. On an annual basis, foreclosure events increased virtually every state except in South Dakota.

In Maryland, foreclosure activity fell 15.3 percent from the prior quarter to 1,434 events. The decrease from the first quarter can be attributed largely to seasonal fluctuations in notices of default, foreclosure sales and lender purchases as the state reverses foreclosure related restrictions that were put in place due to COVID-19. On an annual basis, foreclosure activity increased over 155 percent (Exhibits 1 and 2).

New foreclosure filings fell 20.3 percent to 662 in the second quarter but rose 759.7 percent above the same period last year. On the other hand, foreclosure sales increased slightly, rising by 5.2 percent to 522 properties due largely to interest recent rate hikes that have quenched the appetite for home buyers. In addition to rate hikes, the continuing lacks of inventory for sale as owners are able to sell their homes if needed due to current favorable appreciation in home prices. Compared with the same period last year, foreclosure sales grew 91.2 percent. Lender purchases fell lower from the prior quarter to 287 properties, a 29.3 percent decrease from first quarter of 2022 but rose annually by 34.7 percent. Property foreclosure activity in Maryland is expected to gradually return to normal levels since the expiration of the government's moratorium. Expect foreclosure events to fluctuate for the next few quarters as the market adjusts to interest rate hikes and other inflationary impact on Maryland households.

Maryland's foreclosure rate declined this quarter. In the second quarter of 2022, foreclosure rates in Maryland decreased by 1.1 foreclosures per 10,000 households to 6.0. Maryland's ranking improved in the second quarter. It moved ten spots from the 10<sup>th</sup> highest foreclosure rate nationwide to the 20<sup>th</sup>. The state's foreclosure rate was 0.9 lower than the U.S. rate of 6.9 in the second quarter.

Among the neighboring states, Delaware's ranking moved from 8<sup>th</sup> highest in the prior quarter to 2<sup>nd</sup> highest in the current quarter; Pennsylvania improved from the 22<sup>nd</sup> rank to the 24<sup>th</sup>; Virginia's ranking also moved three spots to the 28<sup>th</sup> rank in the second quarter.

Realty Trac'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.

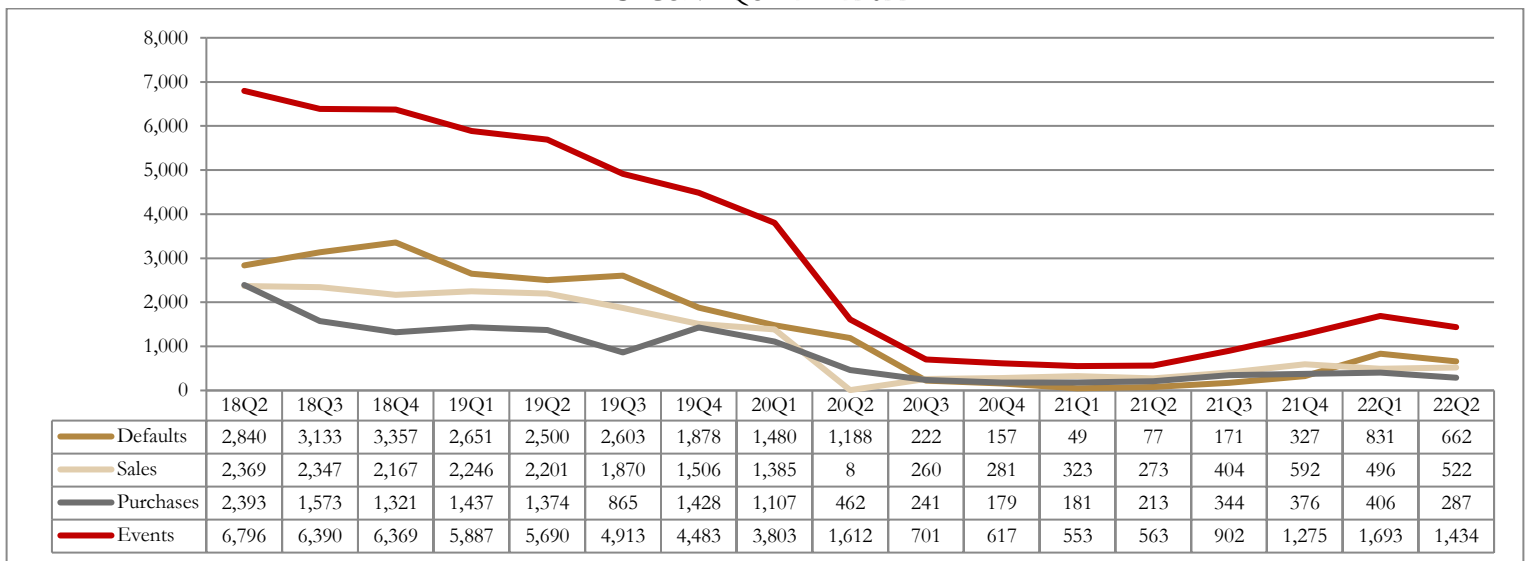
**EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.**  
SECOND QUARTER 2022

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	662	522	287	1,434
Change (Last Quarter)	-20.3%	5.2%	-29.3%	-15.3%
Change (Last Year)	759.7%	91.2%	34.7%	154.7%
<i>U.S.</i>				
Number of Events	42,467	41,869	8,926	91,467
Change (Last Quarter)	34.3%	7.6%	-24.5%	14.1%
Change (Last Year)	253.8%	126.6%	72.3%	156.5%

\*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.

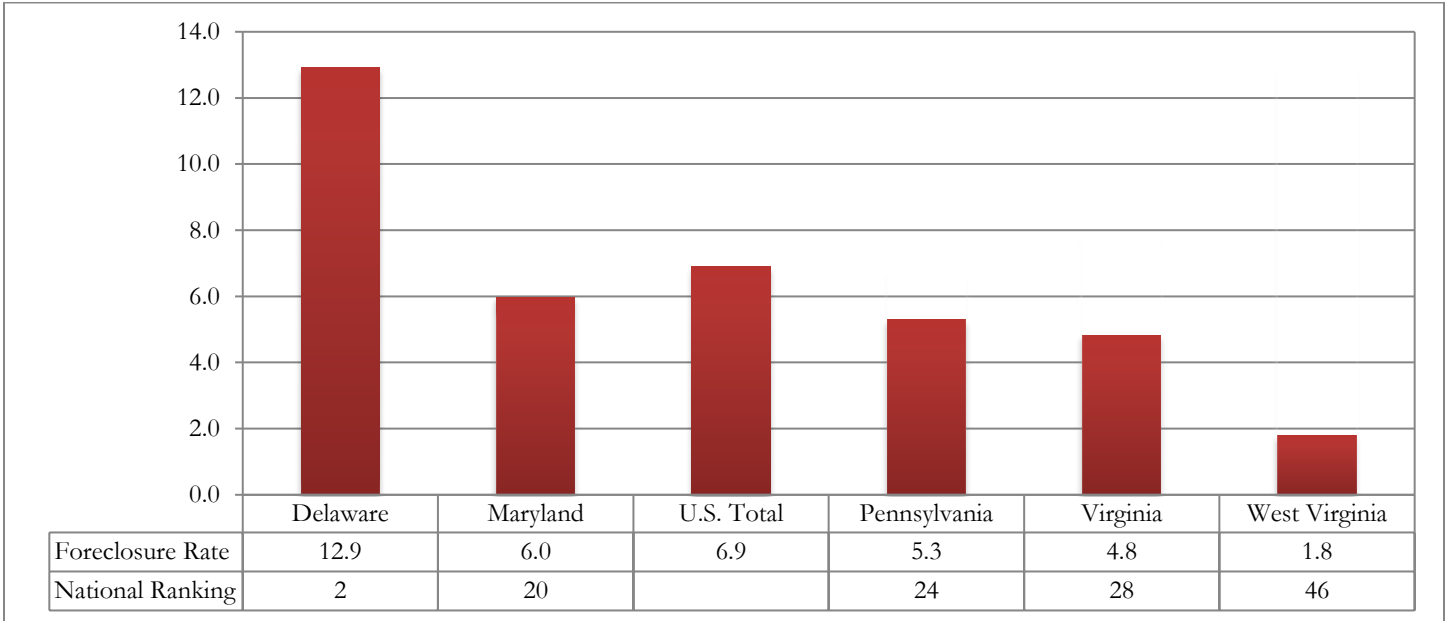
Source: Realty Trac and DHCD, Housing and Economic Research Office

**EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND**  
SECOND QUARTER 2022



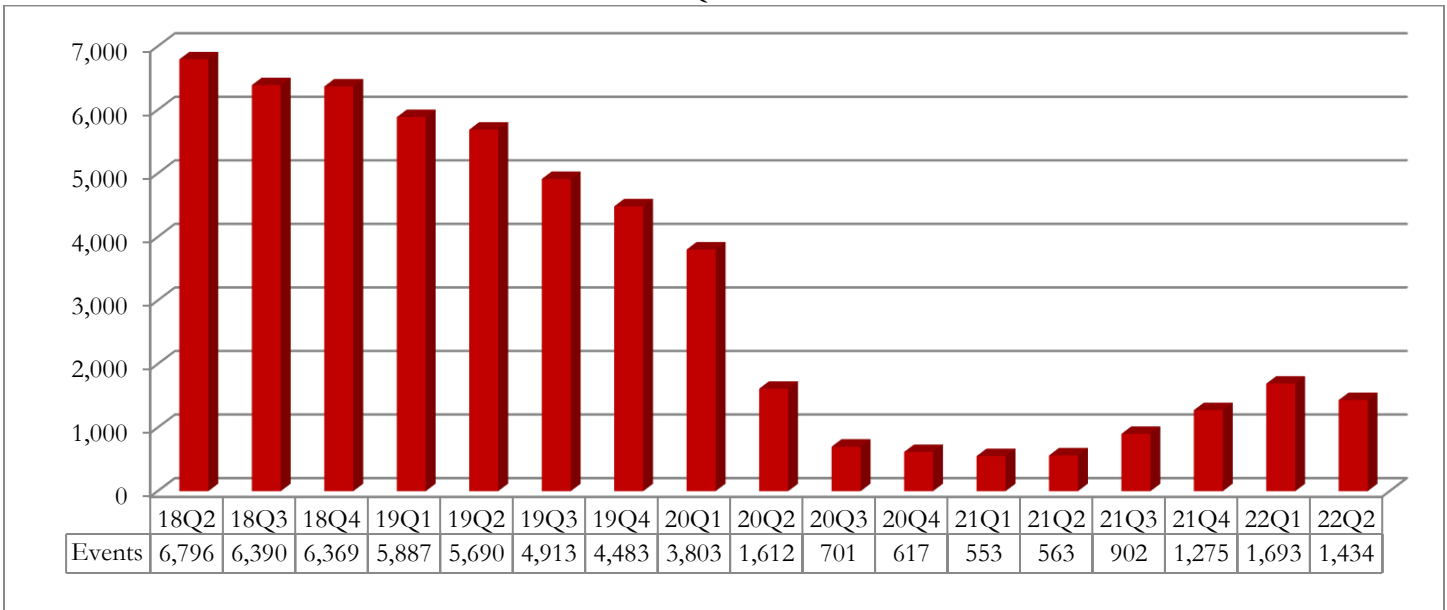
Source: Realty Trac and DHCD, Housing and Economic Research Office

**CHART 1. FORECLOSURE RATES IN THE REGION**  
**NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS**  
 SECOND QUARTER 2022



Source: Realty Trac and DHCD, Housing and Economic Research Office

**CHART 2. TOTAL FORECLOSURE ACTIVITY**  
 SECOND QUARTER 2022



Source: Realty Trac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of second quarter foreclosure events in Maryland. Compared to the first quarter of 2022, foreclosure events grew in six Maryland jurisdictions and declined in eighteen jurisdictions. Garrett County had the highest quarterly growth—73.9 percent—and Dorchester County recorded the largest decline at 77.9 percent. When compared to levels a year ago, foreclosure activity increased in 21 jurisdictions and decreased in three; the jurisdiction with the biggest year-over-year increase was 775.4 percent in Wicomico County.

Prince George’s County had the largest share of foreclosures statewide with 400 events accounting for 27.9 percent of the total. Foreclosure activity in Prince George’s County increased both quarterly and annually: 33.9 percent since the preceding quarter and 235.6 percent from the prior year. Baltimore City had the second largest share of foreclosures—15.6 percent—at 224 events, a decrease of 21.2 percent since last quarter but up 105.0 percent from year ago levels. Baltimore County with 223 events, or 15.5 percent of total, had the third-highest share in Maryland; foreclosures in the county decreased since last quarter but rose from levels a year ago by 32 percent and 123.4 percent, respectively.

Two other jurisdictions had relatively large shares (greater than 80 events) of foreclosure events. Anne Arundel had 90 events (or 6.3 percent of the total). Montgomery followed with 83 events (or 5.8 percent). These jurisdictions represent 71.1 percent of all foreclosure events in Maryland.

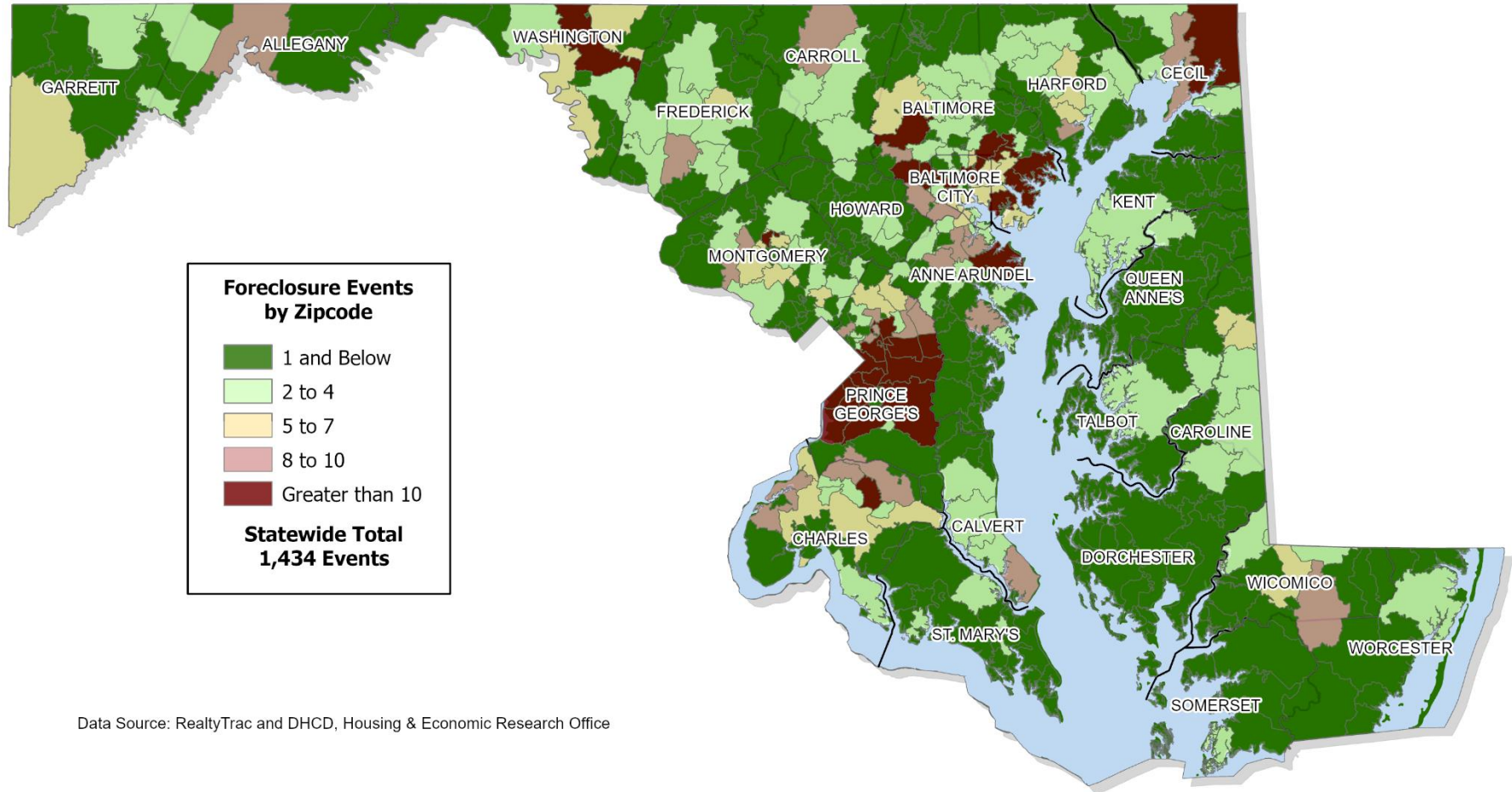
**TABLE 1. PROPERTY FORECLOSURE EVENTS**  
SECOND QUARTER 2022

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2022 Q1	2021 Q2
Allegany	5	11	1	16	1.1%	-3.7%	74.0%
Anne Arundel	38	35	19	90	6.3%	-43.9%	149.7%
Baltimore	78	89	65	223	15.5%	-32.0%	123.4%
Baltimore City	77	99	55	224	15.6%	-21.2%	105.0%
Calvert	8	6	6	20	1.4%	-33.9%	265.6%
Caroline	6	3	3	11	0.7%	-29.2%	60.2%
Carroll	9	10	2	21	1.5%	-37.4%	153.9%
Cecil	15	14	3	32	2.2%	-5.9%	357.1%
Charles	26	24	21	70	4.9%	16.1%	213.1%
Dorchester	2	0	2	4	0.3%	-77.9%	5.2%
Frederick	17	12	16	44	3.0%	7.2%	244.1%
Garrett	3	2	5	11	0.8%	73.9%	129.8%
Harford	17	23	6	45	3.1%	-28.2%	127.6%
Howard	11	3	5	19	1.4%	-33.9%	58.6%
Kent	2	2	2	7	0.5%	-25.5%	170.2%
Montgomery	42	35	8	83	5.8%	-32.0%	190.7%
Prince George's	256	115	39	400	27.9%	33.9%	235.6%
Queen Anne's	2	3	0	4	0.3%	-60.9%	-8.5%
Somerset	3	2	2	7	0.5%	-27.4%	-2.8%
St. Mary's	8	5	6	19	1.3%	-41.3%	50.9%
Talbot	3	4	1	7	0.5%	16.7%	75.0%
Washington	20	11	13	44	3.0%	13.7%	241.8%
Wicomico	11	12	5	26	1.8%	-14.6%	775.4%
Worcester	4	1	3	8	0.5%	-47.9%	-31.2%
<b>Maryland</b>	<b>662</b>	<b>522</b>	<b>287</b>	<b>1,434</b>	<b>100.0%</b>	<b>-15.3%</b>	<b>154.7%</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

# Property Foreclosure Filings in Maryland

## Second Quarter 2022



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

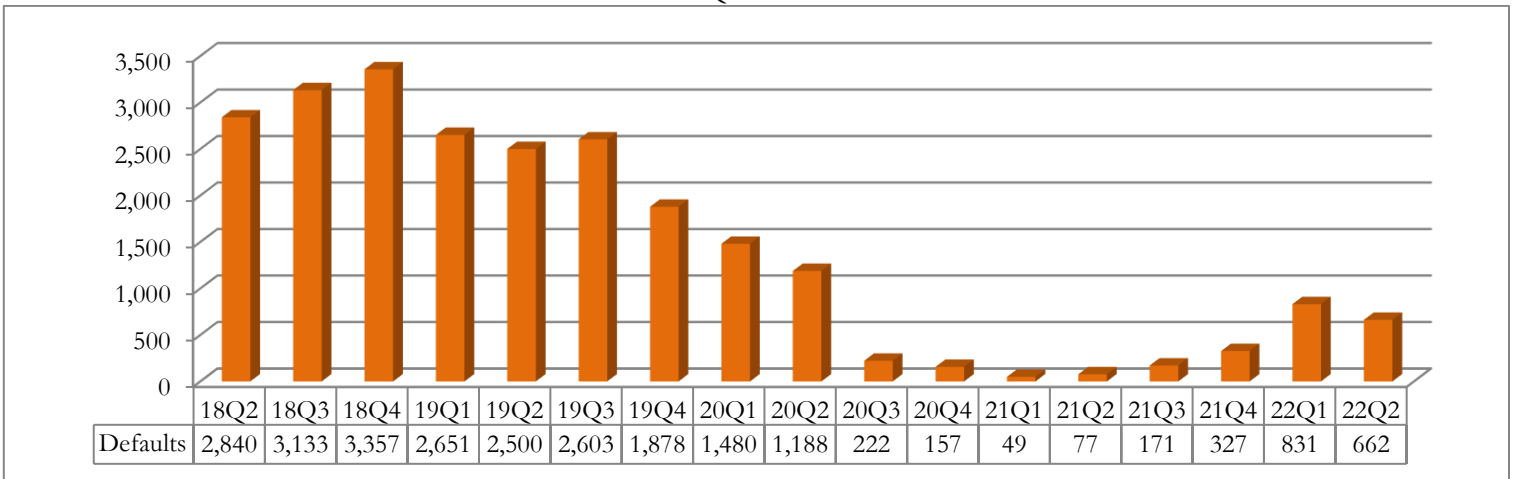
## Notices of Mortgage Loan Default

### SECOND QUARTER 2022

Default notices (the initial document filed by the lender to state the foreclosure process, also called pre-foreclosure stage) decreased by 20.0 percent to 662 filings in the second quarter (Chart 3). This is a 760.0 percent increase from the second quarter of 2021 when seven jurisdictions recorded zero default notices. Twenty-three Maryland jurisdictions experienced an increase in default notices since last quarter. Almost all jurisdictions reported more than double digit increases from the same period last year due to pandemic restrictions in place due to COVID-19.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 38.6 percent of all filings statewide or 256 notices (Table 2). The county’s default notices increased 122.6 percent from the previous quarter and by 650.7 percent from year ago levels during the pandemic where there were 34 defaults. Baltimore County, with 78 default notices (11.8 percent of the total), had the second-highest number of defaults in Maryland. Baltimore County’s new defaults decreased by 48.9 percent from the preceding quarter but increased significantly this time last year due to restrictions. Similarly, Baltimore City, with 77 default notices, or 11.6 percent of the total, had the third-highest number of notices, declined from the prior quarter, increased from year ago levels. Montgomery County’s 42 default notices were fourth-highest, 6.3 percent share. Together, these four jurisdictions represented 68.3 percent of all default notices issued statewide.

**CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT**  
SECOND QUARTER 2022



Source: Realty Trac and DHCD, Housing and Economic Research Office



**TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT**  
**SECOND QUARTER 2022**

Jurisdiction	2022 Q2		% Change from	
	Number	% of Total	2022 Q1	2021 Q2
Allegany	5	0.7%	-43%	n/a
Anne Arundel	38	5.7%	-46%	1166%
Baltimore	78	11.8%	-49%	1549%
Baltimore City	77	11.6%	-51%	1128%
Calvert	8	1.2%	-42%	700%
Caroline	6	0.9%	-42%	659%
Carroll	9	1.4%	-46%	31533%
Cecil	15	2.3%	-32%	400%
Charles	26	4.0%	-11%	1292%
Dorchester	2	0.3%	-79%	-10%
Frederick	17	2.6%	-31%	465%
Garrett	3	0.5%	-31%	212%
Harford	17	2.6%	-46%	185%
Howard	11	1.7%	-33%	1000%
Kent	2	0.4%	-58%	n/a
Montgomery	42	6.3%	-35%	731%
Prince George's	256	38.6%	123%	651%
Queen Anne's	2	0.2%	-70%	n/a
Somerset	3	0.4%	-52%	157%
St. Mary's	8	1.2%	-21%	n/a
Talbot	3	0.5%	-50%	n/a
Washington	20	3.0%	-28%	884%
Wicomico	11	1.6%	-22%	n/a
Worcester	4	0.6%	-59%	268%
<b>Maryland</b>	<b>662</b>	<b>100%</b>	<b>-20%</b>	<b>760%</b>

Source: Realty Trac and DHCD, Housing and Economic Research Office

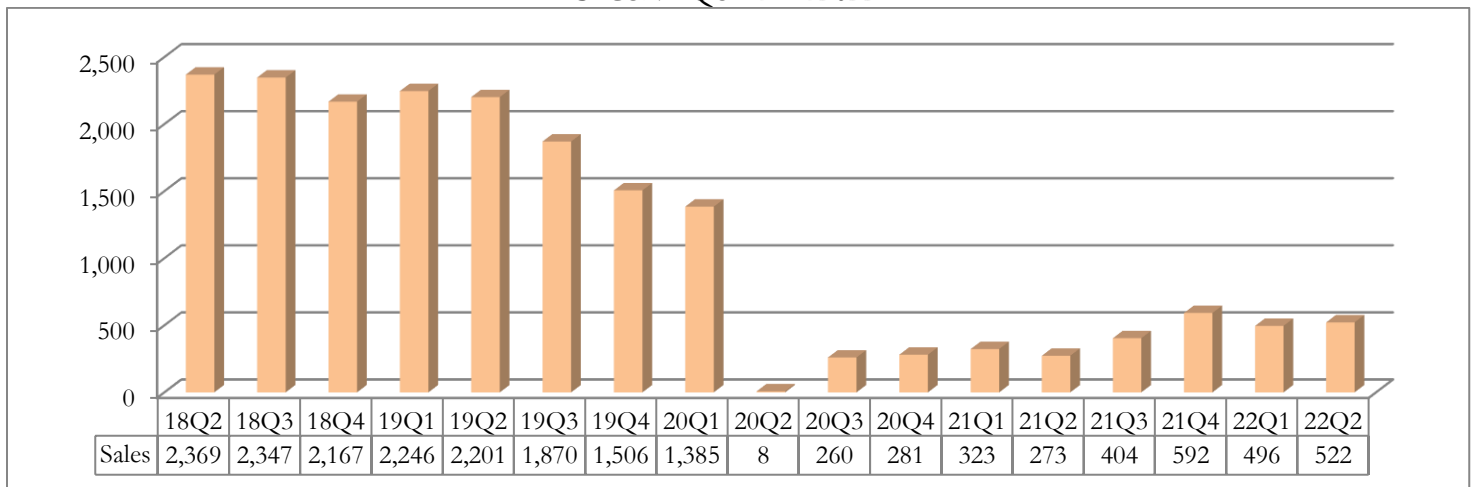
## Notices of Foreclosure Sales

### SECOND QUARTER 2022

Foreclosure sales notices or judgment of sales notices, (orders signed by a judge authorizing the sale of a property at a public auction) increased 5.2 percent from the prior quarter to 522 filings (Chart 4). Compared to the second quarter of 2021 foreclosure sales increased 91.2 percent. Foreclosure sales increased from the previous quarter in 12 jurisdictions, decreased in seven, showed no change in two while Somerset, Talbot and Worcester had no data for comparison. On an annual basis, foreclosure sales declined in four of Maryland’s jurisdictions and increased in 19, Dorchester County reported zero sales. Allegany County had the most significant quarterly growth of 552.1 percent; Worcester County experienced the largest drop of 78.6 percent year-over-year.

Prince George’s County accounted for the jurisdiction with the highest share of foreclosure sales at 115 notices or 22.1 percent of all Maryland notices (Table 3). Current quarter foreclosures sales rose by 6.8 percent in Prince George’s County and 105.1 percent since the second quarter of 2021. Baltimore City with 99 notifications, or 18.9 percent of the total, had the second-highest number of foreclosure sales in Maryland. Foreclosure sales in The City decreased 1.5 percent from the preceding quarter but rose by 83.0 percent compared with the same period in 2021. Baltimore County with 89 notices, or 17.1 percent of the total—had the third-highest number of foreclosure sales. Notices of sales in Baltimore County increased 8.4 percent from the previous quarter and 106.3 percent from the same period last year. The fourth and fifth-highest shares of foreclosure sales this quarter occurred in Anne Arundel County (35 sales or 6.8 percent) and Montgomery County (35 sales or 6.6 percent). Together, these jurisdictions accounted for 71.5 percent of all notices of sales issued statewide.

**CHART 4. NOTICES OF FORECLOSURE SALES**  
SECOND QUARTER 2022



Source: Realty Trac and DHCD, Housing and Economic Research Office

**TABLE 3. NOTICES OF FORECLOSURE SALES**  
SECOND QUARTER 2022

Jurisdiction	2022 Q1		% Change from	
	Notices of Sales	% of Total	2022 Q1	2021 Q2
Allegany	11	2.0%	552.1%	304.2%
Anne Arundel	35	6.8%	-32.2%	76.4%
Baltimore	89	17.1%	8.4%	106.3%
Baltimore City	99	18.9%	-1.5%	83.0%
Calvert	6	1.1%	-19.7%	34.2%
Caroline	3	0.5%	0.0%	-7.0%
Carroll	10	1.9%	22.3%	262.9%
Cecil	14	2.7%	100.0%	600.0%
Charles	24	4.6%	19.3%	54.0%
Dorchester	0	0.0%	-96.6%	n/a
Frederick	12	2.4%	21.4%	122.8%
Garrett	2	0.5%	0.0%	73.0%
Harford	23	4.3%	13.5%	176.2%
Howard	3	0.7%	-45.4%	8.8%
Kent	2	0.5%	82.4%	148.0%
Montgomery	35	6.6%	2.0%	67.7%
Prince George's	115	22.1%	6.8%	105.1%
Queen Anne's	3	0.5%	-45.7%	-37.0%
Somerset	2	0.4%	n/a	100.0%
St. Mary's	5	0.9%	-17.8%	-23.5%
Talbot	4	0.8%	n/a	100.0%
Washington	11	2.1%	86.2%	14.6%
Wicomico	12	2.3%	34.7%	1093.0%
Worcester	1	0.2%	n/a	-78.6%
<b>Maryland</b>	<b>522</b>	<b>100.0%</b>	<b>5.2%</b>	<b>91.2%</b>

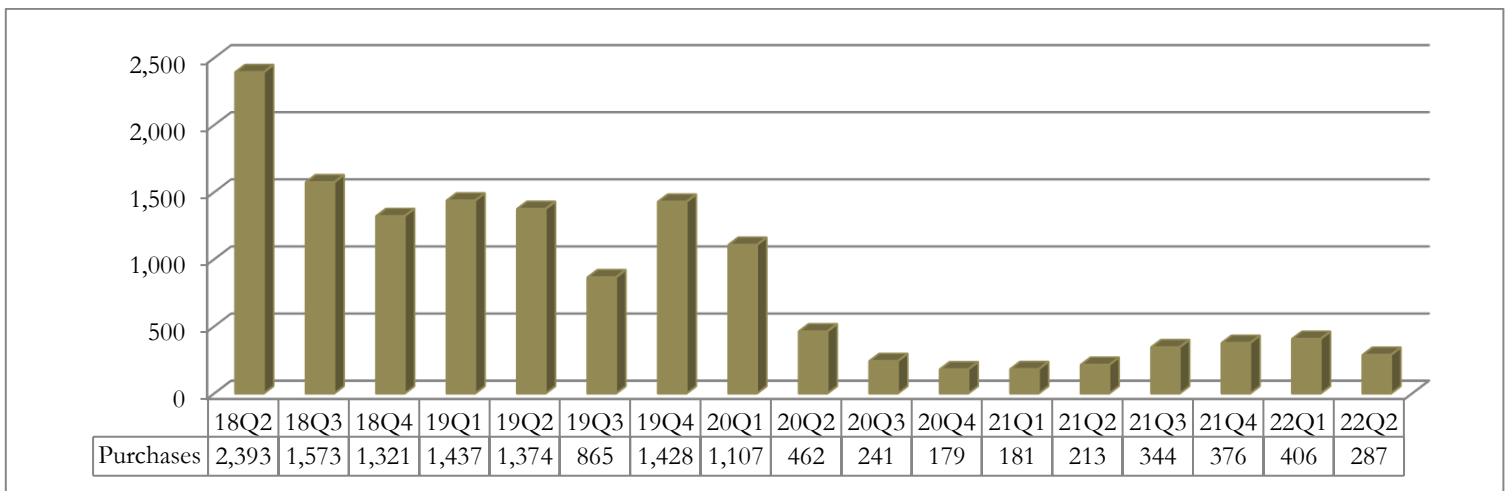
Source: Realty Trac and DHCD, Housing and Economic Research Office

## Lender Purchases of Foreclosed Properties SECOND QUARTER 2022

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 29.3 percent since the first quarter to 287. Compared to activity in the second quarter of 2021, lender purchases increased 34.7 percent. The largest quarterly and year-over-year increases were in Frederick County which rose by 103.8 percent quarterly and Washington County rose 1,163 percent annually. The increase in lender purchases can be attributed in to homebuyers looking for moderately priced homes as inflationary hikes in interest rates continue to price them out of their “comfort zone”.

In the current quarter, Baltimore County had the highest concentration in Maryland (Table 4) with 65 lender purchases or 22.5 percent of the total. Lender purchases in the county fell 33.5 percent in the second quarter but increased by 24.8 percent over last year’s volume. REO in Baltimore City, which totaled 55, accounted for the second-highest concentration at 19.0 percent of purchases statewide. Sales in Prince George’s County dropped by 50.6 percent from the prior quarter but rose by 35.0 percent from the second quarter of 2021. Charles County, with 21 REOs recorded the fourth highest in the second quarter while Anne Arundel County, with 19 lender purchases (6.5 percent of the total), had the fifth highest concentration in Maryland. Lender purchases in the county fell by 54.9 percent from the preceding quarter but grew 43.4 percent when compared with the levels a year ago. Together, these jurisdictions represented 68.9 percent of all lender purchases.

**CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES**  
SECOND QUARTER 2022



Source: Realty Trac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED  
PROPERTIES  
SECOND QUARTER 2022**

Jurisdiction	2022 Q2		% Change from	
	Number	% of Total	2022 Q1	2021 Q2
Allegany	1	0.2%	-91.3%	-90.5%
Anne Arundel	19	6.5%	-54.9%	43.4%
Baltimore	65	22.5%	-33.5%	24.8%
Baltimore City	55	19.0%	72.5%	10.8%
Calvert	6	2.1%	-45.5%	n/a
Caroline	3	1.0%	-21.8%	-1.1%
Carroll	2	0.7%	-72.8%	-62.3%
Cecil	3	1.0%	-62.5%	50.0%
Charles	21	7.3%	91.5%	320.2%
Dorchester	2	0.8%	-65.6%	10.5%
Frederick	16	5.7%	103.8%	296.6%
Garrett	5	1.9%	n/a	128.5%
Harford	6	2.1%	-44.6%	11.5%
Howard	5	1.8%	-49.8%	-34.1%
Kent	2	0.6%	0.0%	17.6%
Montgomery	8	2.7%	-73.2%	158.3%
Prince George's	39	13.6%	-50.6%	35.0%
Queen Anne's	0	0.1%	-79.4%	-62.9%
Somerset	2	0.7%	-45.5%	-58.0%
St. Mary's	6	2.1%	-62.8%	-1.8%
Talbot	1	0.3%	n/a	-50.0%
Washington	13	4.4%	82.0%	1163.4%
Wicomico	5	1.7%	-33.0%	157.0%
Worcester	3	1.1%	-48.7%	-42.7%
<b>Maryland</b>	<b>287</b>	<b>100.0%</b>	<b>-29.3%</b>	<b>34.7%</b>

Source: Realty Trac and DHCD, Housing and Economic Research Office