



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2017

APRIL 2017

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Property Foreclosure Events in Maryland
FIRST QUARTER 2017

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Property Foreclosure Events in Maryland

FIRST QUARTER 2017

Executive Summary

RealtyTrac data for first 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 11.0 percent to 234,508 events, after inching up 6.1% for the first time in six quarters. Compared with the first quarter of 2016, the decline was more pronounced, falling 18.9 percent, continuing the trend of year over year declines (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased from 19.8 in the previous quarter to 17.7 in the current quarter. Nationally, foreclosure activity dropped in 42 states as well as the District of Columbia but increased in eight states. The top five increases were in Louisiana, North Carolina, Oklahoma, Wyoming, and Vermont, while the highest declines were in Alaska, Colorado, Iowa, Rhode Island, and South Dakota. Compared with the same quarter in 2016, total foreclosure events decreased in 40 states but increased in the other 10 states and in the District of Columbia.

In Maryland foreclosure events grew 11.2 percent from the fourth quarter of 2016 to 8,455 events. Compared to the same quarter last year, Maryland's foreclosure activity dropped 31.7 percent. Growth in first quarter 2017 foreclosures from the previous quarter can be largely attributed to a sharp increase in lender purchases, which nearly doubled following a 40.3 percent drop from the third to fourth quarter 2016 (Exhibits 1 and 2). Meanwhile, notices of default and sale both declined, both in from the previous quarter and in year over year trends.

New foreclosure filings in Maryland fell 12.7 percent to 2,882 events in the first quarter, a 33.8 percent decline from the first quarter 2016 levels, continuing the trend of year over year declines. Foreclosure sales continued to fall both quarterly and annually, falling 13.2 percent from the fourth quarter 2016 and 40.2 from the year prior. Lender purchases experienced the most significant change, with an increase of 98.6 percent – more than 1,500 purchases above the previous quarter. Compared to the first quarter 2016, however, purchases experienced a much smaller decline in purchases, falling 7.8 percent.

With the growth in total foreclosure activity, Maryland's foreclosure rate grew from 31.7 foreclosures per 10,000 households in the fourth quarter 2016 to 35.2 in the first quarter of 2017. Maryland's ranking remained among the top five states with the highest foreclosure rates nationwide, along with Delaware, Illinois, Nevada, and New Jersey. The State's foreclosure rate was 99.5 percent above the U.S. rate of 17.7 in the first quarter.

Among the neighboring states, Delaware and Pennsylvania's rankings remained unchanged at the 2nd highest and 10th highest in the current quarter, respectively, but Virginia's ranking deteriorated from 24th highest during the fourth quarter of 2016 to 23rd 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.

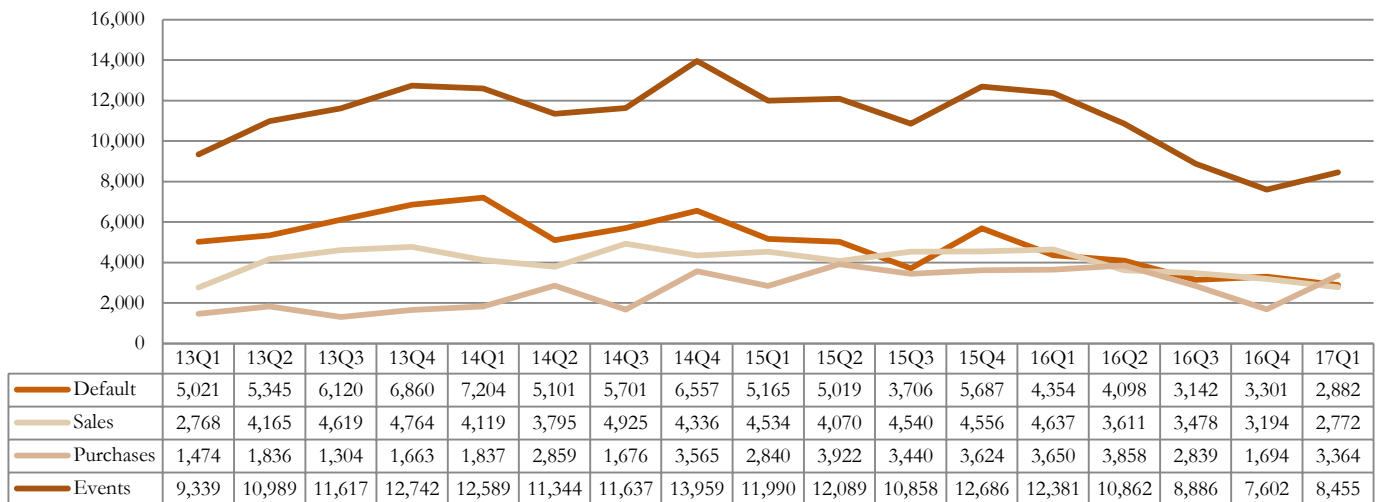
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FIRST QUARTER 2017

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	2,882	2,772	3,364	8,455
Change (Last Quarter)	-12.7%	-13.2%	98.6%	11.2%
Change (Last Year)	-33.8%	-40.2%	-7.8%	-31.7%
<i>U.S.</i>				
Number of Events	74,328	83,198	90,568	234,508
Change (Last Quarter)	-2.4%	-21.8%	-5.1%	-11.0%
Change (Last Year)	-15.3%	-27.7%	-9.0%	-18.9%

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.

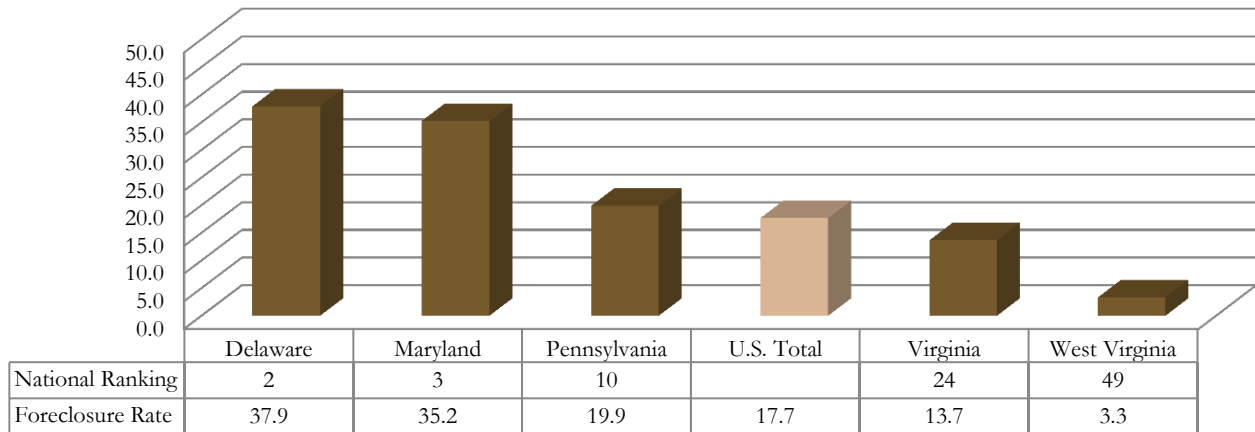
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
FOURTH QUARTER 2012 THROUGH FIRST QUARTER 2017



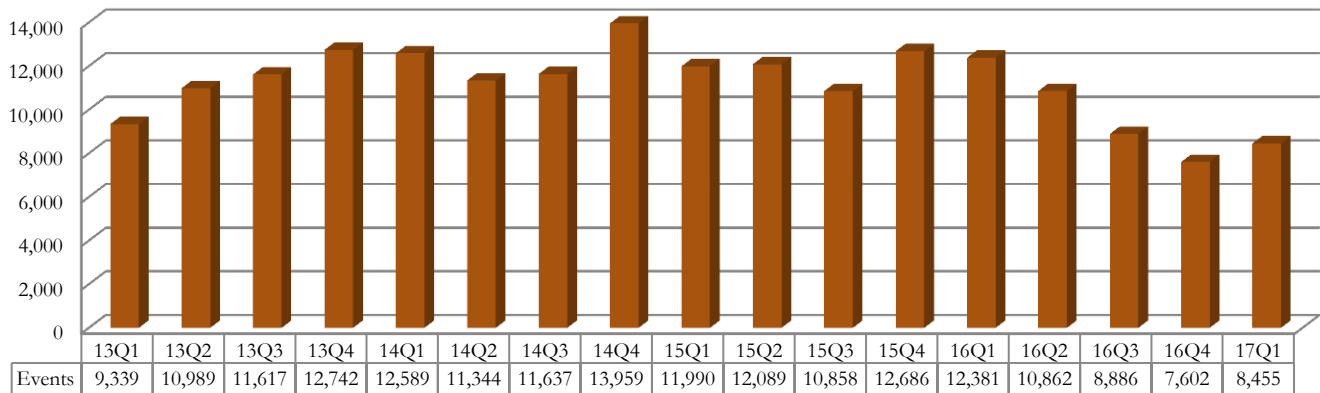
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the first quarter foreclosure events in Maryland jurisdictions. Foreclosure activity declined in all jurisdictions from year ago levels, but increased by 11.2 percent—growing in 13 jurisdictions.

Baltimore City with 1,568 events had the largest share of foreclosures statewide, accounting for 18.6 percent of the total. Foreclosure activity in the City spiked 23.2 percent above the previous quarter, but fell by 27.5 percent from the year prior. Prince George’s County experienced a 12.1 percent decline in the first quarter to 1,506 filings, accounting for 17.8 percent of the statewide share. On an annual basis, the County’s foreclosures fell 45.1 percent behind prior year levels. Baltimore County with 1,445 foreclosure events, or 17.1 percent of the total, had the third highest share in Maryland. Foreclosures in this county grew 19.5 percent below the preceding quarter, but decreased by 17.9 percent from one year ago.

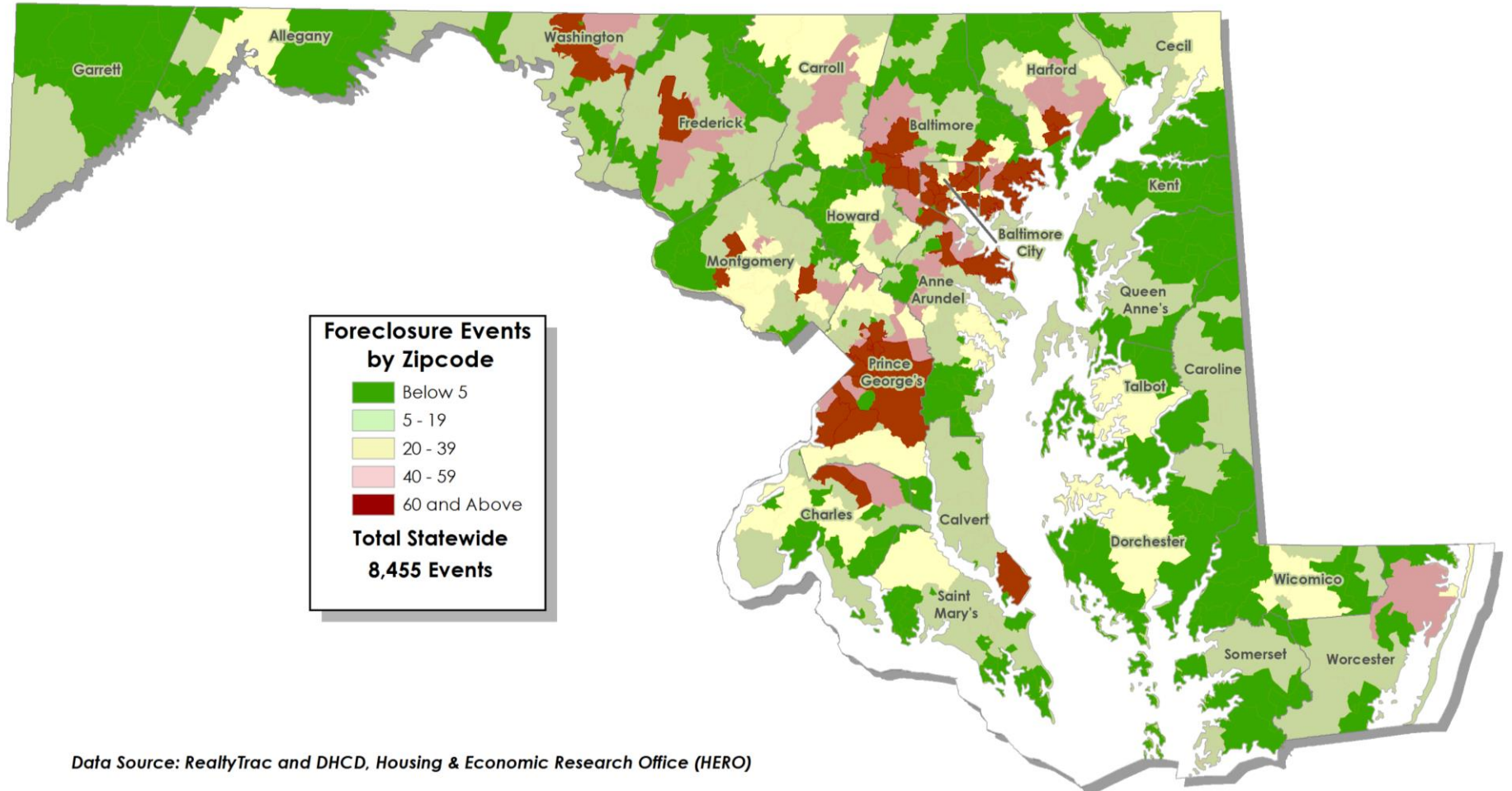
Other counties with a large share of foreclosure events include Montgomery (713 events or 8.4 percent), Anne Arundel (654 events or 7.7 percent of the total), Harford (463 events or 5.5 percent), Charles (316 events or 3.7 percent), Frederick (291 events or 3.4 percent), Howard (258 events or 3.0 percent), and Washington counties (239 events or 2.8 percent). These ten jurisdictions represented 88.1 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2017

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2016 Q4	2016 Q1
Allegany	32	15	21	62	0.7%	-11.3%	-45.6%
Anne Arundel	239	245	203	654	7.7%	-4.9%	-45.7%
Baltimore	438	432	674	1,445	17.1%	19.5%	-17.9%
Baltimore City	479	416	777	1,568	18.6%	23.2%	-27.5%
Calvert	48	34	78	149	1.8%	44.8%	-19.8%
Caroline	1	12	26	37	0.4%	8.9%	-49.1%
Carroll	63	45	75	166	2.0%	13.3%	-15.5%
Cecil	0	45	29	72	0.9%	9.1%	-67.3%
Charles	120	121	102	316	3.7%	-8.1%	-28.2%
Dorchester	4	16	24	43	0.5%	-7.7%	-25.2%
Frederick	115	80	109	291	3.4%	17.7%	-27.7%
Garrett	10	9	12	28	0.3%	-17.9%	-22.0%
Harford	126	156	213	463	5.5%	48.7%	-6.5%
Howard	80	76	120	258	3.0%	20.4%	-21.0%
Kent	2	9	12	23	0.3%	18.6%	-46.9%
Montgomery	232	224	313	713	8.4%	49.1%	-19.0%
Prince George's	618	634	354	1,506	17.8%	-12.1%	-45.1%
Queen Anne's	22	22	11	52	0.6%	-22.6%	-51.0%
Somerset	16	10	4	27	0.3%	-12.5%	-46.8%
St. Mary's	48	37	18	94	1.1%	-8.3%	-45.0%
Talbot	10	7	19	35	0.4%	-10.3%	-43.9%
Washington	86	65	100	239	2.8%	35.9%	-27.9%
Wicomico	53	36	17	99	1.2%	-13.9%	-48.0%
Worcester	39	25	54	114	1.3%	56.4%	-7.3%
Maryland	2,882	2,772	3,364	8,455	100.0%	11.2%	-31.7%

*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

MAP 1: DISTRIBUTION OF PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2017



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

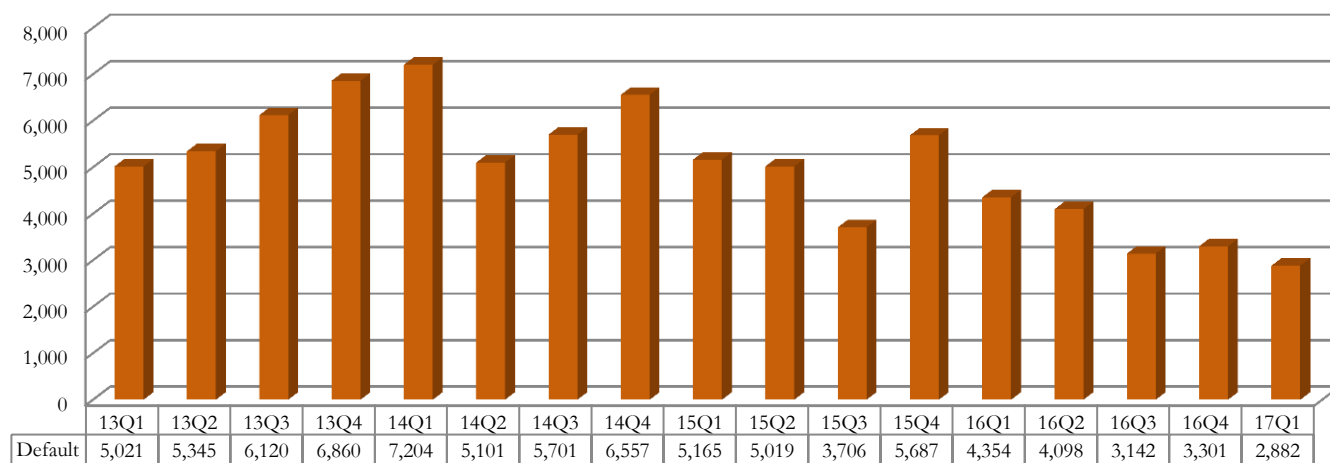
Notices of Mortgage Loan Default

FIRST QUARTER 2017

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) fell 12.7 percent to 2,882 filings in the first quarter, following a slight increase in defaults at the end of 2016 (Chart 3). Compared to last year, new foreclosure filings experienced a more significant decline of 33.8 percent, recording the twelfth consecutive quarter of year over year declines (Table 2). All Maryland jurisdictions recorded year over year quarterly declines, with the exception of Carroll County, where notices of default increased by one percent. Cecil County recorded zero notices of default for the second consecutive quarter.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 21.4 percent of all filings statewide or 618 notices (Table 2). The county’s default notices fell 29.6 percent below the previous quarter and 32.7 percent below last year’s volume. Baltimore City, with 479 default notices (16.6 percent of the total), had the second highest number of defaults in Maryland. The City’s new defaults fell 15.0 percent below the preceding quarter levels and by 34.2 percent below last year levels. Baltimore County, with 438 default notices, or 15.2 percent of the total, had the third highest number of notices. The county’s default notices fell 16.1 percent from the previous quarter, dropping 32.9 percent below last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (239 default notices, or 8.3 percent of the total) and Montgomery County had the fifth largest share with 232 notices or a 8.1 percent share. Together, these jurisdictions represented 69.6 percent of all default notices issued statewide. Montgomery County was the only county within the top five whose new foreclosure filings increased from the previous quarter.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2017

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2016 Q4	2016 Q1
Allegany	32	1.1%	-10.8%	-28.8%
Anne Arundel	239	8.3%	-12.2%	-46.0%
Baltimore	438	15.2%	-16.1%	-32.9%
Baltimore City	479	16.6%	-15.0%	-34.2%
Calvert	48	1.7%	19.4%	-27.6%
Caroline	1	0.0%	3.8%	-96.5%
Carroll	63	2.2%	7.7%	1.0%
Cecil	0	0.0%	n/a	-100.0%
Charles	120	4.2%	-14.1%	-36.0%
Dorchester	4	0.1%	-73.8%	-76.0%
Frederick	115	4.0%	14.1%	-25.3%
Garrett	10	0.3%	-29.4%	-33.5%
Harford	126	4.4%	9.0%	-5.6%
Howard	80	2.8%	-16.0%	-39.8%
Kent	2	0.1%	-23.4%	-79.3%
Montgomery	232	8.1%	30.7%	-16.0%
Prince George's	618	21.4%	-29.6%	-32.7%
Queen Anne's	22	0.8%	-37.4%	-49.6%
Somerset	16	0.5%	27.4%	-23.1%
St. Mary's	48	1.7%	33.1%	-21.1%
Talbot	10	0.3%	-44.4%	-70.7%
Washington	86	3.0%	16.8%	-29.0%
Wicomico	53	1.8%	-16.1%	-28.9%
Worcester	39	1.4%	36.0%	-28.8%
Maryland	2,882	100.0%	-12.7%	-33.8%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

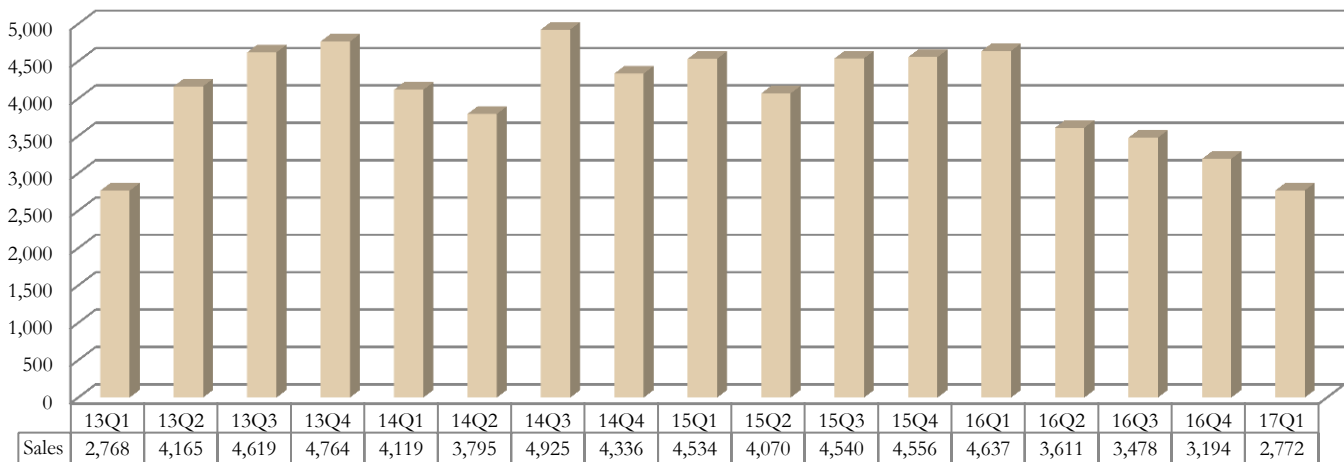
Notices of Foreclosure Sales

FIRST QUARTER 2017

Foreclosure sale or judgement of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) declined 13.2 percent from the prior quarter to 2,772 filings, continuing for the fourth consecutive quarter of decreased sales (Chart 4). Compared with the first quarter 2016, foreclosure sales dropped 40.2 percent. Foreclosure sales fell in 22 Maryland jurisdictions from the previous quarter, but increased in Cecil and Harford counties. On an annual basis, foreclosure sales similarly declined in 22 Maryland jurisdictions, but increased in Dorchester and Garrett counties

Foreclosure sales declined 11.8 percent in Prince George’s County to 634 notices, and were down 39.8 percent below last year’s volume. Foreclosure sales in the county accounted for 22.9 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore County with 432 notices, or 15.6 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in this county fell 11.4 percent from the preceding quarter, dropping a significant 40.4 percent compared with the same period last year. Baltimore City with 416 notices, or 15.0 percent of the total, had the third highest number of foreclosure sales. Notices of sales in the City fell 4.9 percent from the previous quarter and by 42.4 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (245 sales, or 8.8 percent) and Montgomery (224 sales, or 8.1 percent), respectively. Together, these jurisdictions accounted for 70.4 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2017

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2016 Q4	2016 Q1
Allegany	15	0.5%	-54.4%	-51.7%
Anne Arundel	245	8.8%	-12.4%	-35.4%
Baltimore	432	15.6%	-11.4%	-40.4%
Baltimore City	416	15.0%	-4.9%	-42.4%
Calvert	34	1.2%	-29.2%	-39.5%
Caroline	12	0.4%	-37.4%	-64.0%
Carroll	45	1.6%	-29.1%	-50.0%
Cecil	45	1.6%	21.6%	-43.8%
Charles	121	4.4%	-21.2%	-20.3%
Dorchester	16	0.6%	-8.2%	3.4%
Frederick	80	2.9%	-26.0%	-51.5%
Garrett	9	0.3%	-26.7%	23.7%
Harford	156	5.6%	8.3%	-36.6%
Howard	76	2.7%	-8.1%	-34.7%
Kent	9	0.3%	-12.0%	-17.3%
Montgomery	224	8.1%	-18.5%	-45.3%
Prince George's	634	22.9%	-11.8%	-39.8%
Queen Anne's	22	0.8%	-7.2%	-17.6%
Somerset	10	0.4%	-35.7%	-33.4%
St. Mary's	37	1.3%	-32.3%	-41.8%
Talbot	7	0.3%	-30.0%	-46.2%
Washington	65	2.4%	-23.2%	-46.8%
Wicomico	36	1.3%	-20.5%	-37.0%
Worcester	25	0.9%	-20.9%	-45.2%
Maryland	2,772	100.0%	-13.2%	-40.2%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

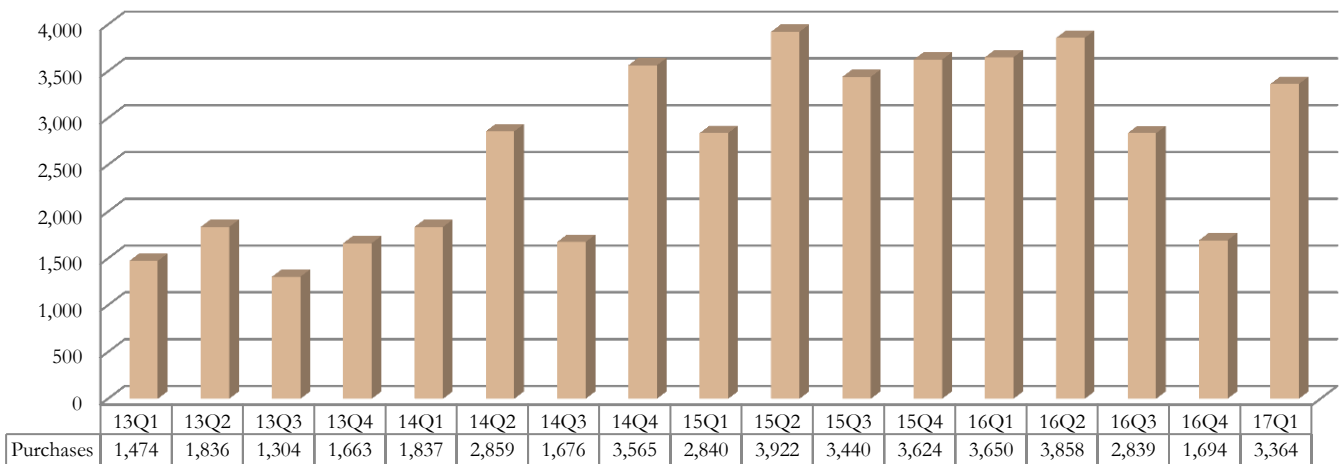
Lender Purchases of Foreclosed Properties

FIRST 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) spiked 98.6 percent to 3,364 properties in the first quarter, back in line with 2015 levels, following a sharp drop in the last quarter of 2016. Compared to sales in the first quarter of 2016, lender purchases continued to trend downward, falling another 7.8 percent for the fourth consecutive quarter. Lender purchases increased in all jurisdictions from the previous quarter, with the exception of Cecil, Queen Anne’s, and St. Mary’s counties. Increases varied widely from 10.7 percent to 426.6 percent. Baltimore City and Baltimore, Calvert, Carroll, Harford, Howard, Montgomery, Washington, and Worcester counties all experienced increases of greater than 100 percent. Compared with year ago levels, changes in lender purchases were equally split, falling in 12 jurisdictions and rising in the remaining 12.

By jurisdiction, 777 lender purchases occurred in Baltimore City, representing 23.1 percent of all lender purchases statewide, the largest share (Table 4). The number of lender purchases in the City grew by 117.0 percent above the previous quarter and by 1.4 percent above the same period last year. Baltimore County, with 674 lender purchases (20.0 percent of the total) had the second highest concentration in Maryland. Lender purchases in the county grew 126.5 percent in the first quarter, 44.0 percent above last year. Prince George’s County, with 354 lender purchases (10.5 percent of the total), had the third highest concentration in Maryland. Lender purchases in that county were up by 30.8 percent from the previous quarter, but were down 50.5 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Montgomery County (313 purchases or 9.3 percent) and Harford County (213 purchases or 6.3 percent). Together, these jurisdictions represented 69.3 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FIRST QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2017 Q1		% Change from	
	Number	% of Total	2016 Q4	2016 Q1
Allegany	21	0.6%	74.4%	-50.5%
Anne Arundel	203	6.0%	15.0%	-46.0%
Baltimore	674	20.0%	126.5%	44.0%
Baltimore City	777	23.1%	117.0%	1.4%
Calvert	78	2.3%	220.9%	4.9%
Caroline	26	0.8%	72.7%	8.0%
Carroll	75	2.2%	129.8%	38.9%
Cecil	29	0.9%	-6.5%	-61.8%
Charles	102	3.0%	17.9%	-17.8%
Dorchester	24	0.7%	59.6%	9.0%
Frederick	109	3.2%	90.8%	16.6%
Garrett	12	0.4%	33.9%	-23.1%
Harford	213	6.3%	180.5%	52.8%
Howard	120	3.6%	157.1%	43.7%
Kent	12	0.4%	51.5%	-45.8%
Montgomery	313	9.3%	426.6%	28.0%
Prince George's	354	10.5%	30.8%	-50.5%
Queen Anne's	11	0.3%	-20.6%	-74.8%
Somerset	4	0.1%	14.1%	-77.2%
St. Mary's	18	0.5%	-24.0%	-56.4%
Talbot	19	0.6%	26.7%	-18.3%
Washington	100	3.0%	216.7%	12.5%
Wicomico	17	0.5%	10.7%	-74.2%
Worcester	54	1.6%	235.2%	90.0%
Maryland	3,364	100.0%	98.6%	-7.8%

Source: RealtyTrac and DHCD, Housing and Economic Research Office