



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FOURTH QUARTER 2017

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FOURTH QUARTER 2017

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Property Foreclosure Events in Maryland

FOURTH QUARTER 2017

Executive Summary

RealtyTrac data for Fourth 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 4.9 percent to 182,433 events. Compared with the Fourth quarter of 2016, foreclosure events continued to show significant year-over-year declines, dropping 30.8 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased from 14.5 in the previous quarter to 13.7 in the current quarter. Nationally, foreclosure activity dropped in 23 states as well as the District of Columbia but increased in 26 states (there was no change in the state of Montana). The top five increases were in Arkansas, Missouri, North Dakota, Nevada, and Tennessee, while the greatest declines were in Florida, Georgia, Louisiana, Texas, and the District of Columbia. Compared with the same quarter in 2016, total foreclosure events decreased in 47 states but increased in Oklahoma, Vermont, and Wyoming and in the District of Columbia.

In Maryland foreclosure events inched up 0.3 percent from the third quarter of 2017 to 6,653 events. Compared to the same quarter last year, Maryland's foreclosure activity fell 12.5 percent. Despite a minimal increase from the third quarter, foreclosure activity remains well below recent years' activity (Exhibits 1 and 2).

New foreclosure filings in Maryland experienced a 3.4 percent growth to 2,859 events in the fourth quarter, but continued to decline compared with last year's volume for the seventh consecutive quarter: down 13.4 percent from fourth quarter 2016. Foreclosure sales fell 8.8 percent from the prior quarter, and a 28.7 percent decline from the same quarter last year. Lender purchases experienced the largest jump in growth, up 15.8 percent from the third quarter of 2017, and 30.9 percent from 2016 volume. Increases in lender purchases combined with declines in new foreclosure filings signal increased confidence in the market as lenders continue to clear the pipeline.

Maryland's foreclosure rate inched up by 0.1 foreclosures per 10,000 households to 27.7 from 27.6 in the third 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 101.8 percent above the U.S. rate of 13.7 in the fourth quarter.

Among the neighboring states, Delaware remained unchanged at the 2nd highest in the current quarter. Pennsylvania's ranking continued to fall, increasing from the 13th highest foreclosure rate to the 12th highest. Virginia's ranking continued to fluctuate, falling from 25th highest during the third quarter of 2017 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.

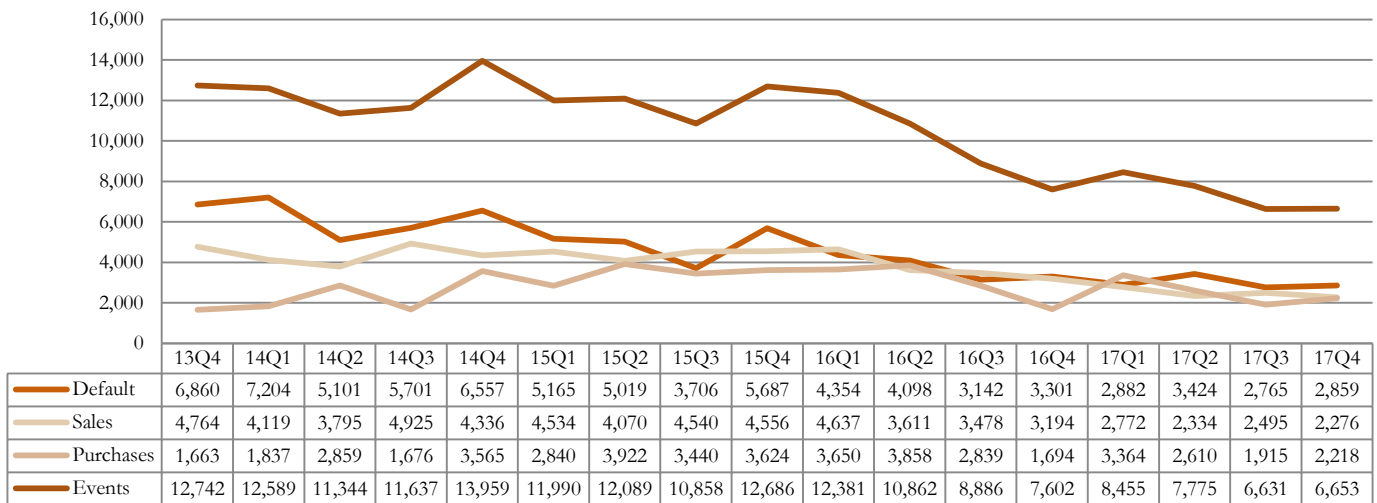
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FOURTH QUARTER 2017

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	2,859	2,276	2,218	6,653
Change (Last Quarter)	3.4%	-8.8%	15.8%	0.3%
Change (Last Year)	-13.4%	-28.7%	30.9%	-12.5%
<i>U.S.</i>				
Number of Events	60,744	71,157	66,462	182,433
Change (Last Quarter)	-5.0%	-16.1%	18.7%	-4.9%
Change (Last Year)	-20.3%	-33.1%	-30.3%	-30.8%

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.

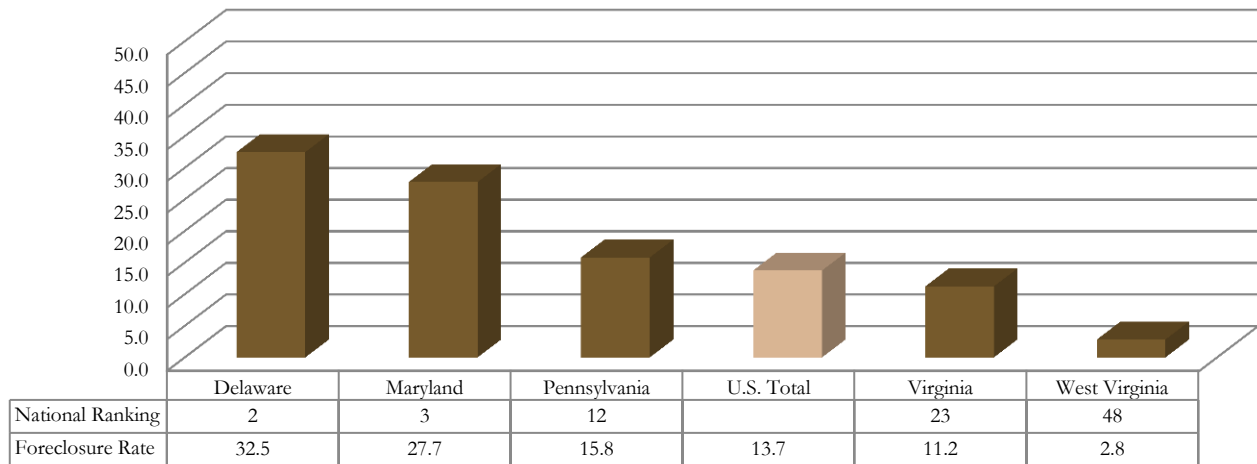
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



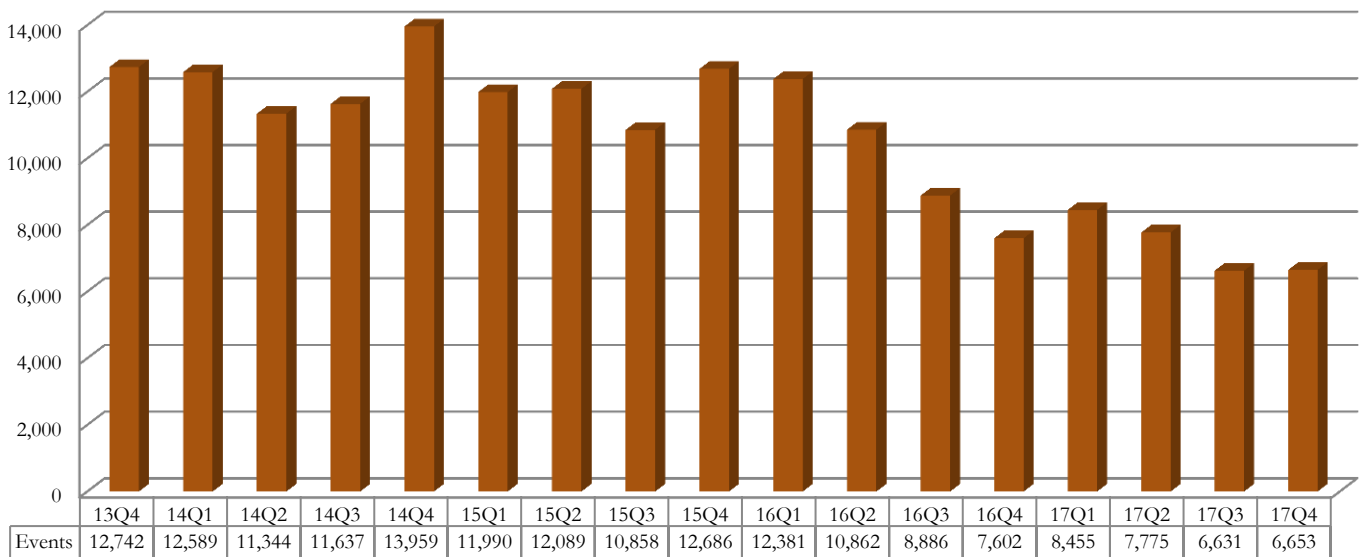
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the distribution of fourth quarter foreclosure events in Maryland jurisdictions. Foreclosure activity declined in 20 jurisdictions from year ago levels with the exception of Cecil, Somerset, St. Mary's, and Washington counties. Compared to third quarter of 2017, foreclosure events increased in 12 Maryland jurisdictions.

Prince George's County with 1,572 events had the largest share of foreclosures statewide, accounting for 23.6 percent of the total. Foreclosure activity in the county increased 7.0 percent above the previous quarter, but fell 8.3 percent from the year prior. Baltimore City experienced a 1.8 percent decline in the Fourth quarter to 1,211 filings, accounting for 18.2 percent of the statewide share. On an annual basis, the City's foreclosures fell 4.8 percent below prior year levels. Baltimore County with 977 foreclosure events, or 14.7 percent of the total, had the third highest share in Maryland. Foreclosures in this county fell 5.4 percent below the preceding quarter, and decreased by 19.2 percent from one year ago.

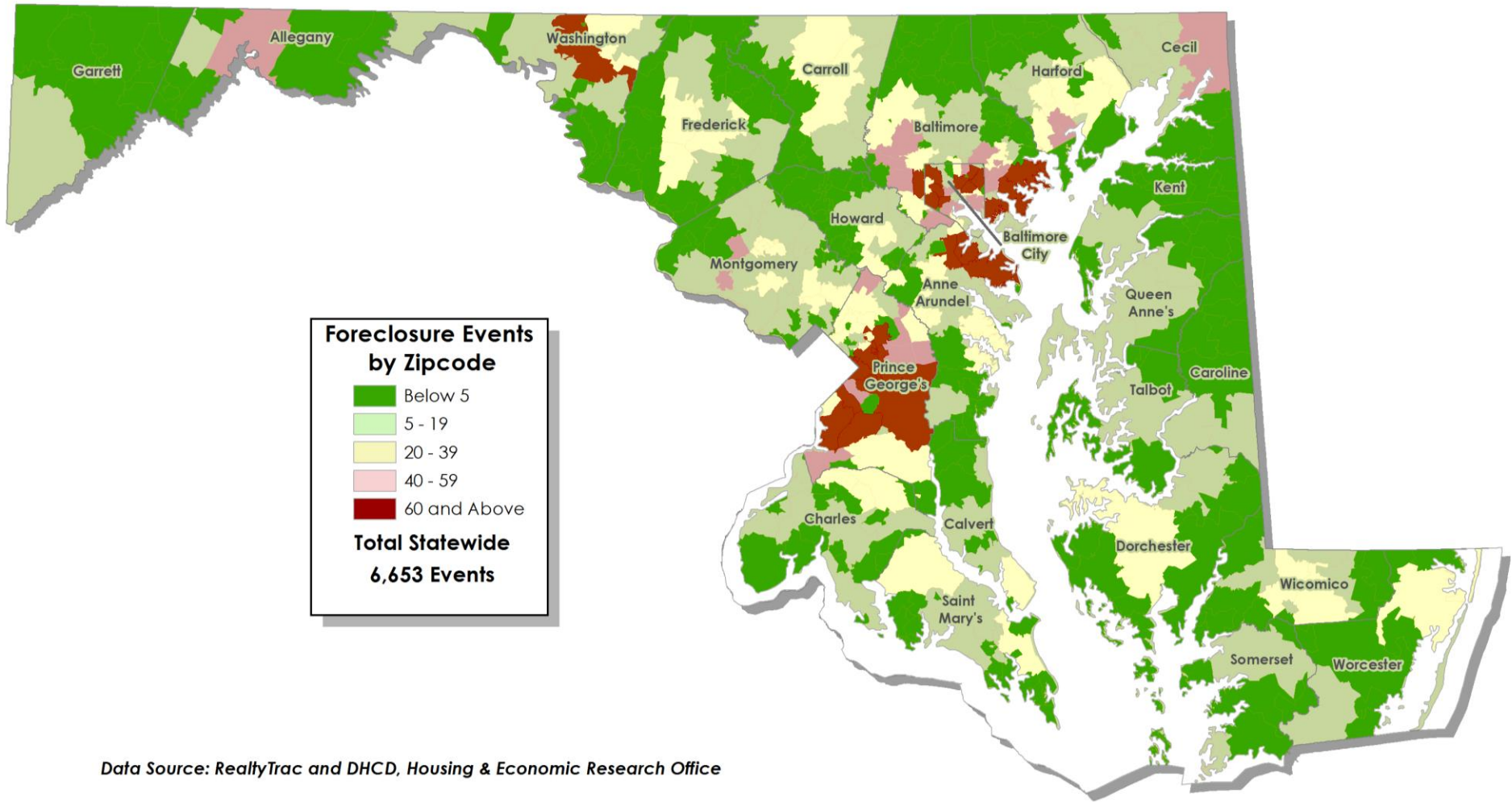
Other counties with a large share of foreclosure events include Anne Arundel (587 events or 8.8 percent), Montgomery (457 events or 6.9 percent of the total), Harford (293 events or 4.4 percent), Washington (192 events or 2.9 percent), Howard (164 events or 2.5 percent), Charles (152 events or 2.3 percent), and Frederick counties (145 events or 2.2 percent). These ten jurisdictions represented 86.4 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
FOURTH QUARTER 2017

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2017 Q3	2016 Q4
Allegany	23	17	26	60	0.9%	-1.2%	-13.9%
Anne Arundel	314	173	165	587	8.8%	13.1%	-14.7%
Baltimore	449	358	300	977	14.7%	-5.4%	-19.2%
Baltimore City	586	375	381	1,211	18.2%	-1.8%	-4.8%
Calvert	1	42	39	75	1.1%	-0.6%	-26.8%
Caroline	1	12	14	25	0.4%	-23.4%	-27.3%
Carroll	57	34	43	126	1.9%	0.7%	-13.9%
Cecil	0	53	58	104	1.6%	22.4%	57.6%
Charles	3	82	73	152	2.3%	-24.4%	-55.8%
Dorchester	1	17	20	37	0.6%	9.2%	-21.0%
Frederick	40	72	50	145	2.2%	-36.3%	-41.1%
Garrett	9	2	12	23	0.3%	-9.1%	-33.3%
Harford	152	96	93	293	4.4%	7.6%	-5.9%
Howard	84	63	35	164	2.5%	-3.3%	-23.4%
Kent	2	6	13	19	0.3%	24.9%	-2.0%
Montgomery	226	159	115	457	6.9%	6.7%	-4.4%
Prince George's	669	517	542	1,572	23.6%	7.0%	-8.3%
Queen Anne's	21	34	17	67	1.0%	20.6%	-1.7%
Somerset	13	18	13	37	0.6%	5.5%	19.0%
St. Mary's	63	32	41	120	1.8%	2.0%	16.5%
Talbot	14	5	6	25	0.4%	-30.4%	-35.6%
Washington	72	54	79	192	2.9%	13.4%	9.4%
Wicomico	39	28	55	114	1.7%	-14.0%	-0.9%
Worcester	20	26	30	71	1.1%	-9.2%	-3.3%
Maryland	2,859	2,276	2,218	6,653	100.0%	0.3%	-12.5%

*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
FOURTH QUARTER 2017



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

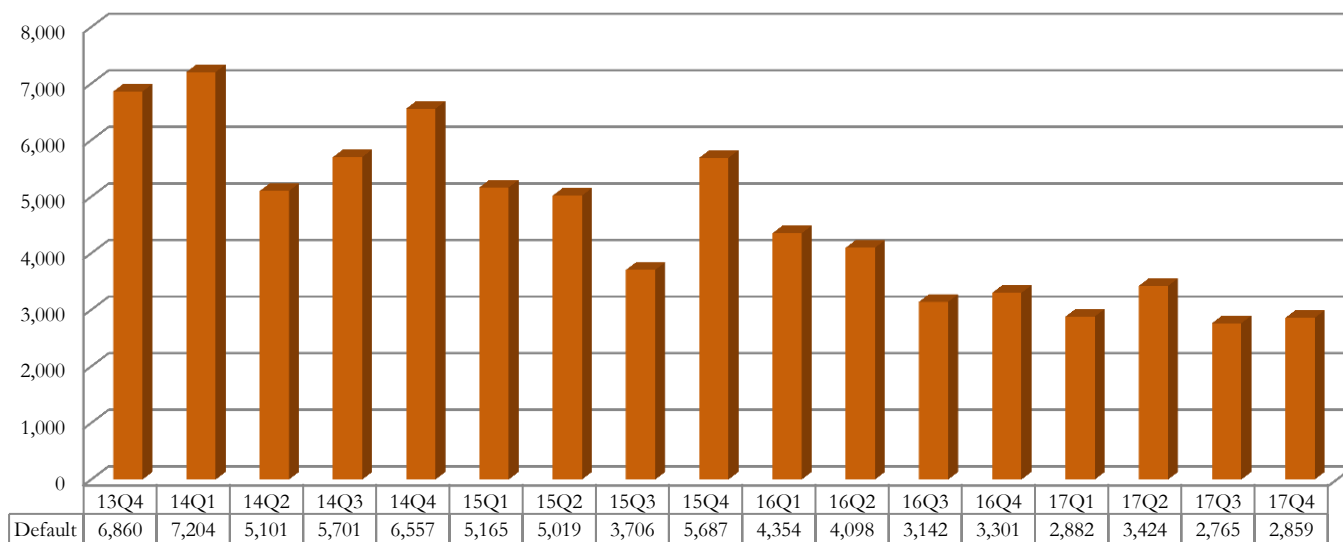
Notices of Mortgage Loan Default

FOURTH QUARTER 2017

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) grew 3.4 percent to 2,859 filings in the fourth quarter (Chart 3). Compared to last year, new foreclosure filings continued to decline by 13.4 percent, recording the fifteenth consecutive quarter of year over year declines (Table 2). Seventeen Maryland jurisdictions recorded year over year quarterly declines, while six counties experienced increases between 1.6 percent and 76.3 percent. There were no notices of default in Cecil County.

By jurisdiction, Prince George’s County accounted for the largest share of defaults with 23.4 percent of all filings statewide or 669 notices (Table 2). The county’s default notices inched up 1.3 percent from the previous quarter but fell 23.8 percent below last year’s volume. Baltimore City, with 586 default notices (20.5 percent of the total), had the second highest number of defaults in Maryland. The City’s new defaults grew 11.7 percent from the preceding quarter levels, and by 4.0 percent above last year levels. Baltimore County, with 449 default notices, or 15.7 percent of the total, had the third highest number of notices. The county’s default notices increased 3.9 percent from the previous quarter, but fell 14.1 percent drop below last year’s volume. Other counties with high defaults included Anne Arundel with the fourth highest number of notices (314 default notices, or 11.0 percent of the total) and Montgomery County had the fifth largest share with 226 notices or a 7.9 percent share. Together, these jurisdictions represented 78.5 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FOURTH QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FOURTH QUARTER 2017

Jurisdiction	2017 Q4		% Change from	
	Number	% of Total	2017 Q3	2016 Q4
Allegany	23	0.8%	-2.1%	-36.8%
Anne Arundel	314	11.0%	44.1%	15.6%
Baltimore	449	15.7%	3.9%	-14.1%
Baltimore City	586	20.5%	11.7%	4.0%
Calvert	1	0.0%	-92.8%	-98.1%
Caroline	1	0.0%	n/a	-31.6%
Carroll	57	2.0%	15.6%	-2.7%
Cecil	0	0.0%	n/a	n/a
Charles	3	0.1%	-89.1%	-97.7%
Dorchester	1	0.0%	104.0%	-96.9%
Frederick	40	1.4%	-56.5%	-60.0%
Garrett	9	0.3%	-14.1%	-34.0%
Harford	152	5.3%	28.3%	32.1%
Howard	84	2.9%	-10.3%	-12.4%
Kent	2	0.1%	0.0%	-25.5%
Montgomery	226	7.9%	4.1%	27.5%
Prince George's	669	23.4%	1.3%	-23.8%
Queen Anne's	21	0.7%	-30.6%	-39.3%
Somerset	13	0.4%	-40.3%	1.6%
St. Mary's	63	2.2%	36.3%	76.3%
Talbot	14	0.5%	-18.3%	-22.2%
Washington	72	2.5%	-13.2%	-3.4%
Wicomico	39	1.3%	-16.2%	-38.5%
Worcester	20	0.7%	-45.9%	-29.6%
Maryland	2,859	100.0%	3.4%	-13.4%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

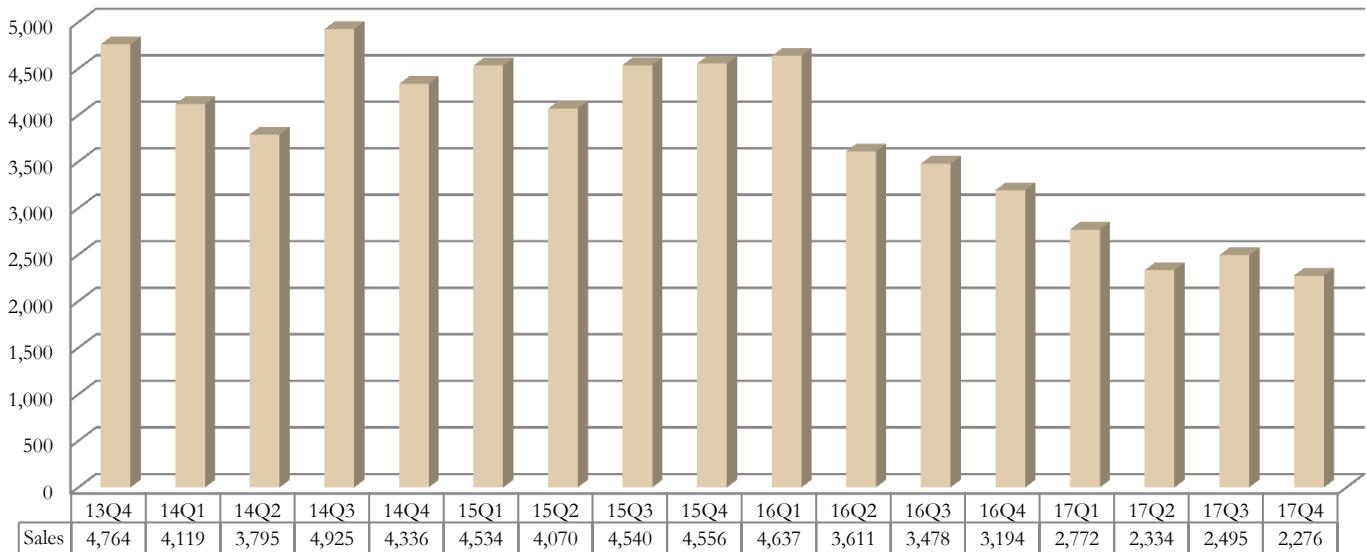
Notices of Foreclosure Sales

FOURTH 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) fell 8.8 percent from the prior quarter to 2,276 filings, back down after an increase in the previous quarter (Chart 4). Compared with the Fourth quarter 2016, foreclosure sales dropped 28.7 percent. Foreclosure sales fell in 15 Maryland jurisdictions from the previous quarter, increasing between 0.2 and 194.8 percent in nine counties. On an annual basis, however, foreclosure sales declined in nearly all Maryland jurisdictions, but increased in Cecil, Queen Anne’s, and Somerset counties.

Foreclosure sales fell 6.6 percent in Prince George’s County to 517 notices, and were down 28.1 percent below last year’s volume. Foreclosure sales in the county accounted for 22.7 percent of all foreclosure sales statewide, the largest share among the State’s twenty-four jurisdictions (Table 3). Baltimore City with 375 notices, or 16.5 percent of the total, had the second highest number of foreclosure sales in Maryland. Foreclosure sales in the City deteriorated 15.5 percent from the preceding quarter, below last year levels by 14.4 percent compared with the same period in 2016. Baltimore County with 358 notices, or 15.7 percent of the total, had the third highest number of foreclosure sales. Notices of sales in this county dropped 5.5 percent from the previous quarter, down significantly by 26.5 percent from the year prior. The fourth and fifth highest share of foreclosure sales this quarter occurred in Anne Arundel (173 sales, or 7.6 percent) and Montgomery (159 sales, or 7.0 percent), respectively. Together, these jurisdictions accounted for 69.6 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FOURTH QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FOURTH QUARTER 2017

Jurisdiction	2017 Q4		% Change from	
	Number	% of Total	2017 Q3	2016 Q4
Allegany	17	0.8%	-17.9%	-46.7%
Anne Arundel	173	7.6%	-13.9%	-38.0%
Baltimore	358	15.7%	-5.5%	-26.5%
Baltimore City	375	16.5%	-15.5%	-14.4%
Calvert	42	1.8%	4.4%	-11.4%
Caroline	12	0.5%	-34.5%	-35.0%
Carroll	34	1.5%	-33.6%	-47.4%
Cecil	53	2.3%	29.3%	43.2%
Charles	82	3.6%	-24.3%	-46.9%
Dorchester	17	0.8%	-4.9%	-1.8%
Frederick	72	3.2%	-23.2%	-33.3%
Garrett	2	0.1%	-64.9%	-86.1%
Harford	96	4.2%	0.2%	-33.6%
Howard	63	2.8%	3.8%	-23.3%
Kent	6	0.3%	39.3%	-37.3%
Montgomery	159	7.0%	-7.0%	-42.1%
Prince George's	517	22.7%	-6.6%	-28.1%
Queen Anne's	34	1.5%	194.8%	41.8%
Somerset	18	0.8%	165.5%	13.3%
St. Mary's	32	1.4%	-22.9%	-42.5%
Talbot	5	0.2%	-60.5%	-48.7%
Washington	54	2.4%	11.6%	-36.7%
Wicomico	28	1.2%	-36.4%	-38.2%
Worcester	26	1.2%	13.8%	-15.8%
Maryland	2,276	100.0%	-8.8%	-28.7%

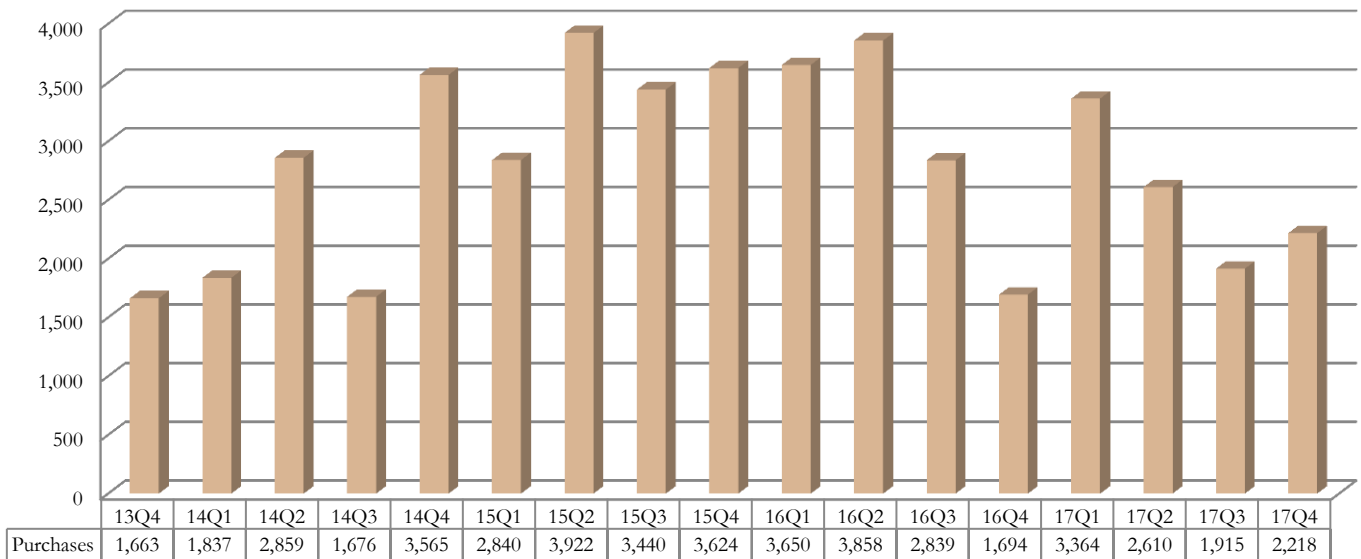
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties FOURTH 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) climbed 15.8 percent this quarter to 2,218 properties. Compared to sales in the fourth quarter of 2016, lender purchases jumped up 30.9 percent. Lender purchases increased in all but five jurisdictions from the previous quarter, rising in the other 19 between 1.8 to 63.6 percent. Similarly compared with year ago levels lender purchases declined in just six jurisdictions, increasing between 0.9 and 272.4 percent in 18 counties. Increases in lender purchases is good news for the housing market as it marks the final stage in the foreclosure process where properties are purchased directly by the banks and returned to their inventory for sales.

By jurisdiction, with 542 lender purchases (24.4 percent of the total), Prince George’s County had the highest concentration in Maryland (Table 4). Lender purchases in the county grew 43.3 percent in the third quarter, 100.5 percent above last year. Lender purchases in Baltimore City, which totaled 381, accounted for 17.2 percent of purchases statewide: down 1.1 percent from the previous quarter, but remained up 6.4 percent from the previous year. Baltimore County, with 300 lender purchases (13.5 percent of the total), had the third highest concentration in Maryland. Lender purchases in the county were down by 0.9 percent from the previous quarter, but were up 0.9 percent when compared with year ago levels. Other jurisdictions with a relatively large share of lender purchases include Anne Arundel (165 purchases or 7.4 percent) and Montgomery (115 purchases or 5.2 percent) counties. Together, these jurisdictions represented 67.8 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FOURTH QUARTER 2017



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2017 Q4		% Change from	
	Number	% of Total	2017 Q3	2016 Q4
Allegany	26	1.2%	10.7%	116.2%
Anne Arundel	165	7.4%	20.2%	-6.6%
Baltimore	300	13.5%	-0.9%	0.9%
Baltimore City	381	17.2%	-1.1%	6.4%
Calvert	39	1.7%	21.4%	58.8%
Caroline	14	0.6%	-10.1%	-8.8%
Carroll	43	1.9%	7.0%	30.7%
Cecil	58	2.6%	20.8%	87.1%
Charles	73	3.3%	1.8%	-15.8%
Dorchester	20	0.9%	25.7%	29.3%
Frederick	50	2.3%	-17.7%	-12.0%
Garrett	12	0.5%	14.2%	33.6%
Harford	93	4.2%	9.8%	22.0%
Howard	35	1.6%	15.9%	-25.2%
Kent	13	0.6%	19.4%	62.8%
Montgomery	115	5.2%	63.6%	93.9%
Prince George's	542	24.4%	43.3%	100.5%
Queen Anne's	17	0.8%	9.3%	20.9%
Somerset	13	0.6%	12.2%	272.4%
St. Mary's	41	1.8%	17.3%	71.9%
Talbot	6	0.3%	-45.5%	-60.0%
Washington	79	3.6%	45.1%	151.7%
Wicomico	55	2.5%	11.8%	263.3%
Worcester	30	1.3%	35.6%	84.5%
Maryland	2,218	100.0%	15.8%	30.9%

Source: RealtyTrac and DHCD, Housing and Economic Research Office