



PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2022

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FIRST QUARTER 2022

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Property Foreclosure Events in Maryland

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Executive Summary

First quarter RealtyTrac data show that property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales, and lender purchases (REO) of foreclosed properties, increased 41.1 percent to 80,138 events from the previous quarter. Compared with year ago levels, foreclosures spiked 143.9 percent (Exhibit 1) as the market return to some normalcy after foreclosure related restrictions are being lifted.

The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, increased 32.8 from 3.4 in the previous quarter to 6.0 in the current quarter. Nationally, foreclosure activity grew in 47 states but fell in Alaska, North Dakota and Rhode Island. Events were unchanged in the District of Columbia (The District). Compared with levels from a year ago, foreclosure events increased in 48 states and in the District. The top five increases were in Colorado, Michigan, Nevada, New York and New Jersey with the two declines in Alaska and South Dakota.

In Maryland, foreclosure activity grew 32.8 percent from the prior quarter to 1,693 events. The increase from the fourth quarter can be attributed largely to significant jumps 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 200.0 percent (Exhibits 1 and 2).

New foreclosure filings grew 154.1 percent to 831 in the first quarter, 1595.9 percent above the same period last year. On the other hand, foreclosure sales declined slightly, falling by 16.2 percent to 496 properties due largely to lack of properties for sale as owners are able to sell properties due to current favorable appreciation in home prices. Compared with the same period last year, foreclosure sales grew 53.6 percent. Lender purchases inched relatively lower from the prior quarter by 30 properties, an 8.0 percent increase from fourth quarter 2021 and annually by 124.3 percent. Property foreclosure activity in Maryland is expected to gradually return to normal levels since the expiration of the government's moratorium. However, levels will not surpass pre-pandemic activity any time soon due to strong market conditions and Homeowner Assistance Fund available to home owners that experienced financial loss due to COVID-19.

With the uptick in total foreclosure activity, Maryland's foreclosure rates are inching up. In the first quarter of 2022, foreclosure rates in Maryland increased by 6.8 foreclosures per 10,000 households to 7.1. Maryland's ranking moved ten spots from the twentieth highest foreclosure rate nationwide to the tenth, and the state's foreclosure rate was 1.1 higher than the U.S. rate of 6.0 in the first quarter.

Among the neighboring states, Delaware's ranking moved from 10th highest in the prior quarter to 8th highest in the current quarter; Pennsylvania improved from the 16th rank to the 22nd; Virginia's ranking also moved five spots to the 25th rank in the first quarter.

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.

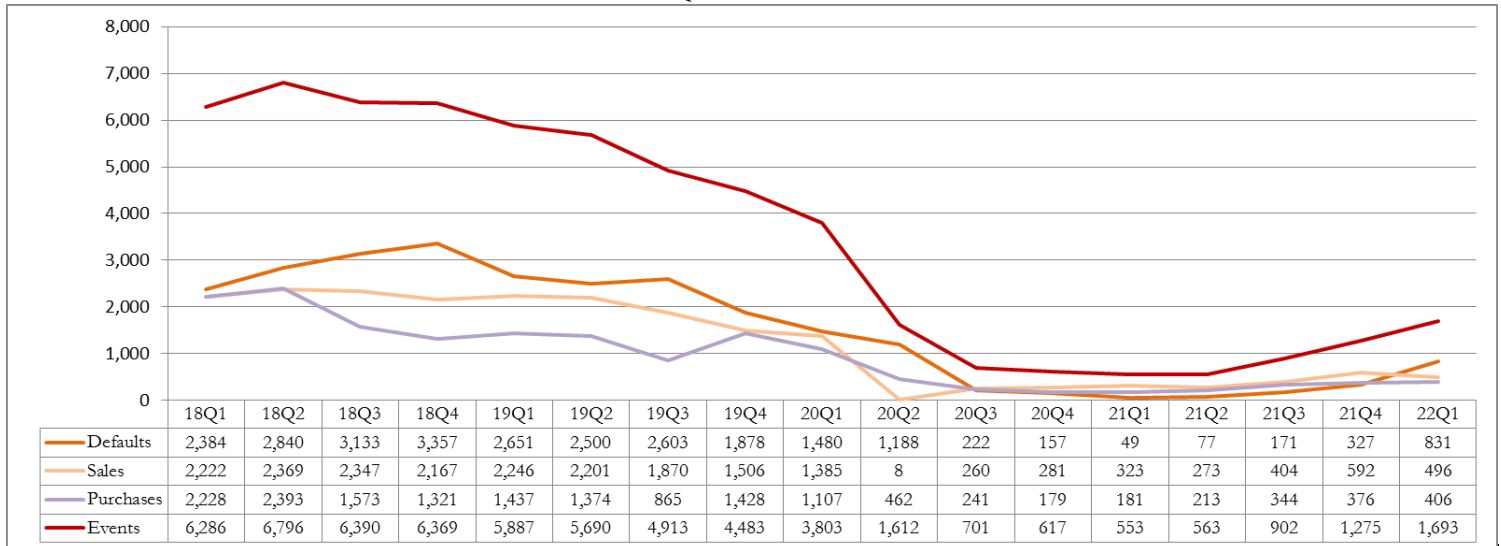
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FIRST QUARTER 2022

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	831	496	406	1,693
Change (Last Quarter)	154.1%	-16.2%	8.0%	32.8%
Change (Last Year)	1,595.9%	53.6%	124.3%	206.1%
<i>U.S.</i>				
Number of Events	31,619	38,927	11,824	80,138
Change (Last Quarter)	69.6%	25.4%	41.5%	41.1%
Change (Last Year)	186.1%	125.5%	159.9%	143.9%

*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.

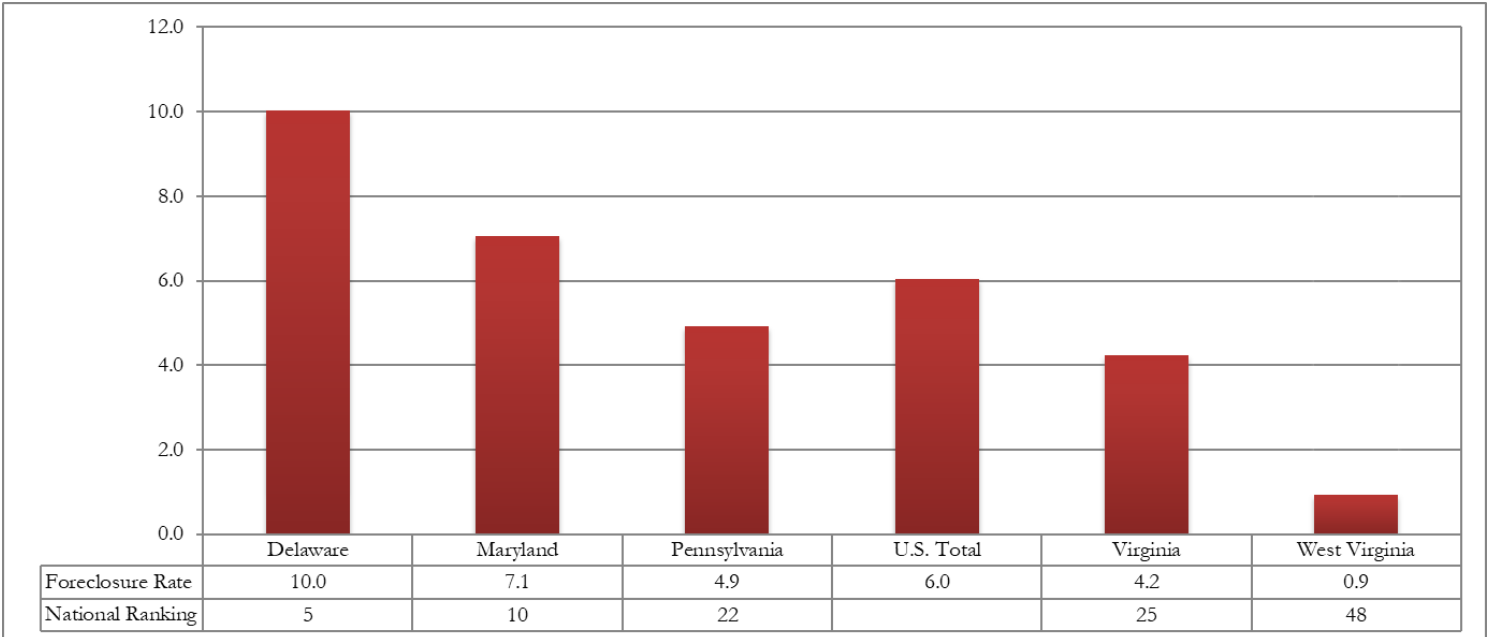
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
FIRST QUARTER 2022



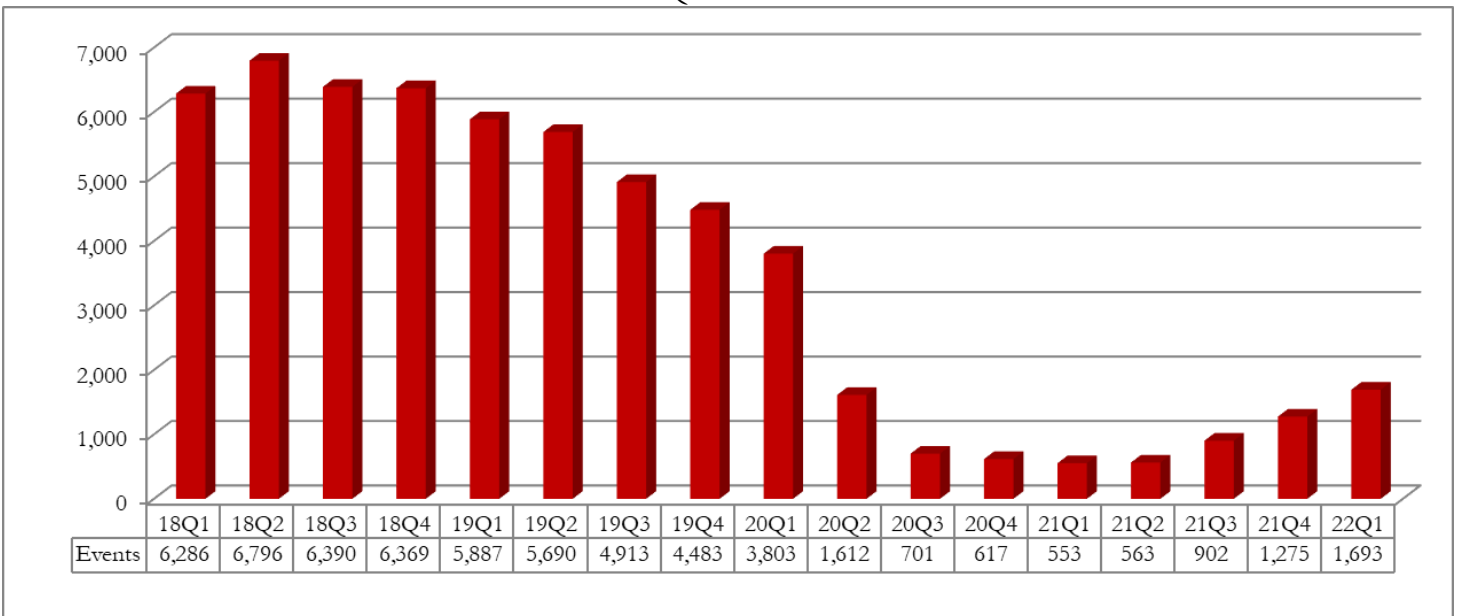
Source: RealtyTrac and DHCD, Housing and Economic Research Office

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



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. TOTAL FORECLOSURE ACTIVITY
 FIRST QUARTER 2022



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 of 2021, foreclosure events grew in twenty-two Maryland jurisdictions and declined in two jurisdictions. Dorchester County had the highest quarterly growth – 176.8 percent and Howard County recorded the largest decline at 22.6 percent. When compared to levels a year ago, foreclosure activity increased in all jurisdictions; the jurisdiction with the biggest year-over-year increase was 799 percent in Kent County.

Baltimore County had the largest share of foreclosures statewide with 328 events accounting for 19.4 percent of the total. Foreclosure activity in Baltimore County increased both quarterly and annually: 59 percent since the preceding quarter and 408.5 percent from the prior year. Prince George’s County with 299 events, or 17.7 percent of total, had the second-highest share in Maryland; foreclosures in the county increased since last quarter as well as a year ago by 7.3 percent and 128.2 percent, respectively. Baltimore City had the third largest share of foreclosures—16.8 percent—at 285 events, an increase of 62.9 percent since last quarter and up 185.5 percent from year ago levels.

Two other jurisdictions had relatively large shares (greater than 100 events) of foreclosure events. Anne Arundel County had 160 events (or 9.5 percent of the total), Montgomery followed with 123 events (or 7.2 percent of the total). These jurisdictions represent 70.5 percent of all foreclosure events in Maryland.

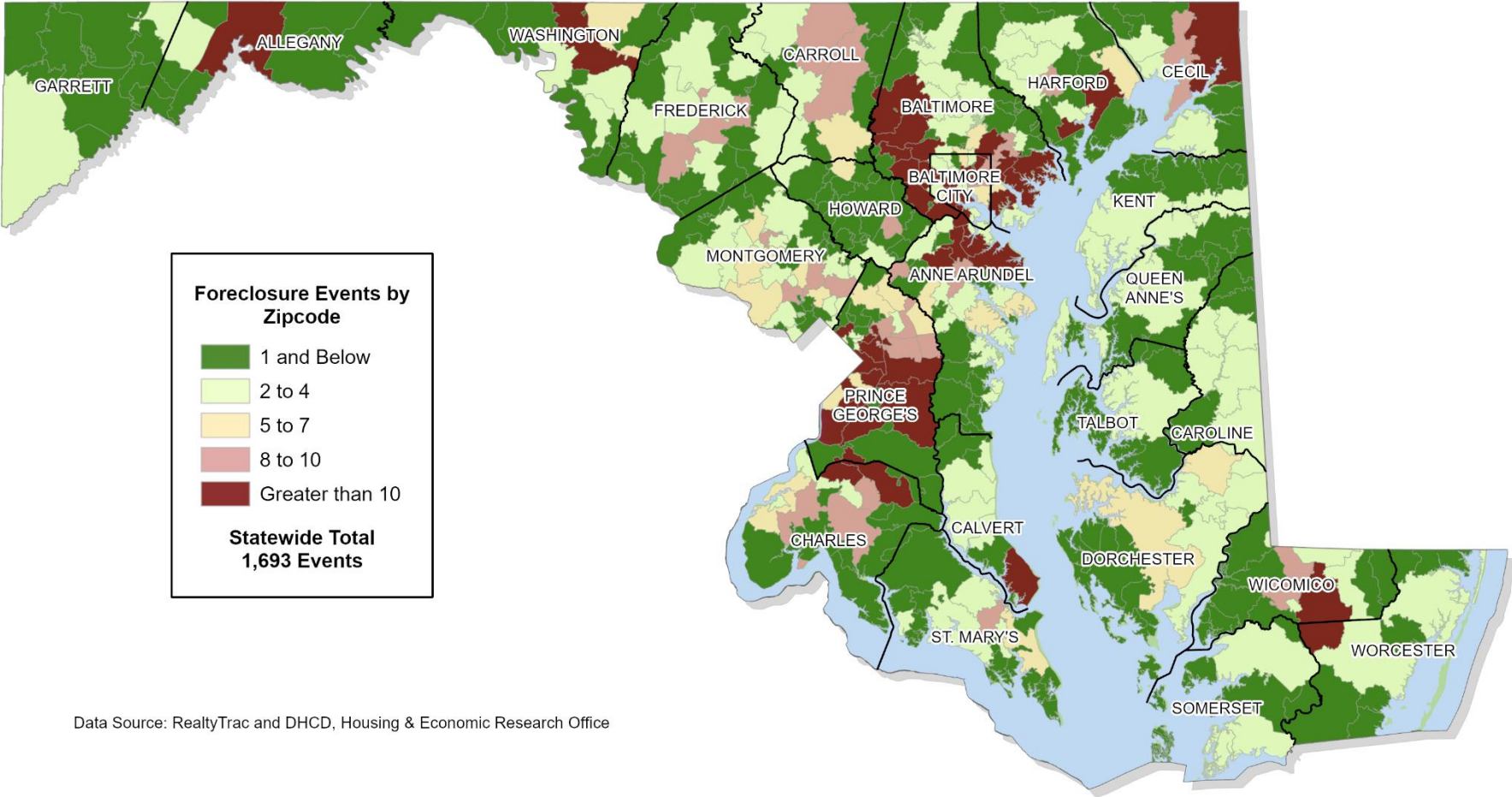
TABLE 1. PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2022

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2021 Q4	2021 Q1
Allegany	9	2	7	17	1.0%	41.0%	94.1%
Anne Arundel	71	52	41	160	9.5%	-6.0%	415.5%
Baltimore	153	82	97	328	19.4%	59.0%	408.5%
Baltimore City	157	100	32	285	16.8%	62.9%	185.5%
Calvert	14	7	11	30	1.8%	7.3%	175.0%
Caroline	10	3	4	15	0.9%	118.9%	293.9%
Carroll	18	8	7	33	2.0%	91.7%	239.2%
Cecil	22	7	8	34	2.0%	100.0%	240.0%
Charles	29	20	11	60	3.6%	13.0%	296.3%
Dorchester	10	6	6	20	1.2%	176.8%	285.2%
Frederick	25	10	8	41	2.4%	22.3%	160.2%
Garrett	5	2	1	6	0.4%	2.1%	163.7%
Harford	31	20	11	62	3.7%	139.3%	197.4%
Howard	16	6	11	29	1.7%	-22.6%	181.2%
Kent	6	1	2	9	0.5%	39.4%	799.0%
Montgomery	65	34	29	123	7.2%	8.2%	172.2%
Prince George's	115	108	79	299	17.7%	7.3%	128.2%
Queen Anne's	5	5	1	11	0.7%	26.1%	450.5%
Somerset	5	0	4	9	0.5%	90.5%	126.3%
St. Mary's	10	6	16	32	1.9%	36.8%	195.1%
Talbot	6	0	0	6	0.4%	100.0%	20.0%
Washington	27	6	7	38	2.3%	72.9%	178.8%
Wicomico	14	9	7	30	1.8%	154.0%	522.8%
Worcester	9	0	6	15	0.9%	141.7%	141.7%
Maryland	831	496	406	1,693	100.0%	32.8%	218.2%

*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

First Quarter 2022



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

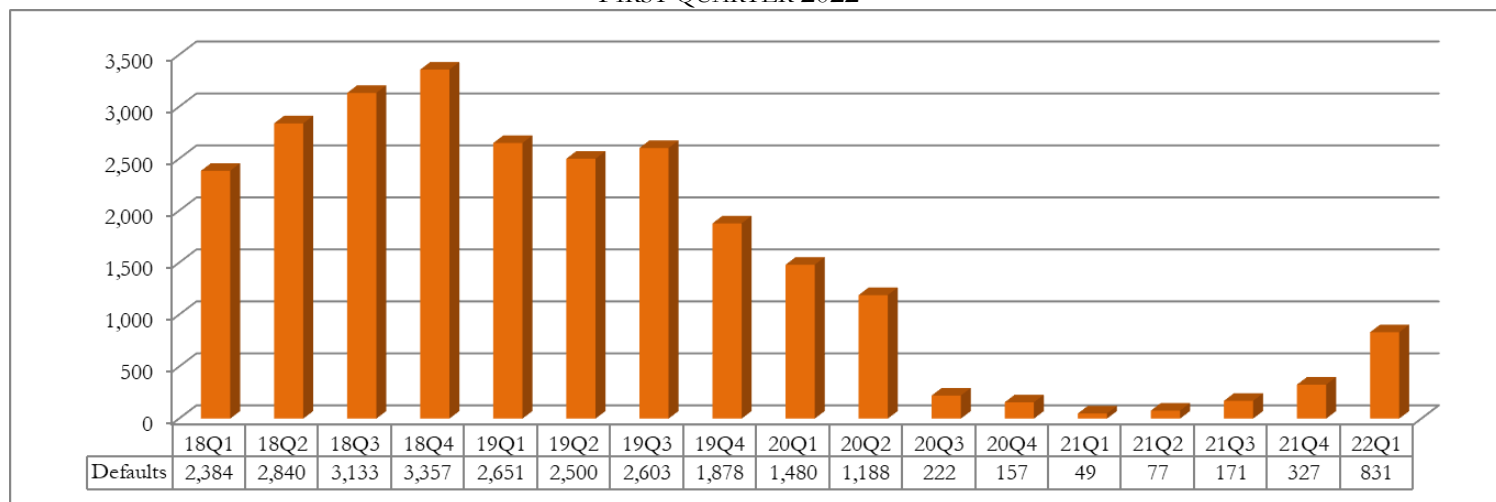
Notices of Mortgage Loan Default

FIRST QUARTER 2022

Default notices (the initial document filed by the lender to state the foreclosure process, also called pre-foreclosure stage) increased by 154 percent to 831 filings in the first quarter (Chart 3). This is also a 1,596 percent increase from the first quarter of 2021 when 16 jurisdictions recorded zero default notices. Compared with the same period last year, all Maryland jurisdictions experienced increases in default notices.

By jurisdiction, Baltimore City accounted for the largest share of defaults with 18.9 percent of all filings statewide or 157 notices (Table 2). The city’s default notices increased 326 percent from the previous quarter and from last year where there were no defaults. Baltimore County, with 153 default notices (18.4 percent of the total), had the second-highest number of defaults in Maryland. The county’s new defaults grew by 199 percent from the preceding quarter and increased from this time last year. Prince George’s County, with 115 default notices, or 13.8 percent of the total, had the third-highest number of notices. Anne Arundel County’s 71 default notices were fourth-highest, 8.5 percent share. Together, these four jurisdictions represented 59.7 percent of all default notices issued statewide.

CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2022



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2022 Q1		% Change from	
	Number	% of Total	2021 Q4	2021 Q1
Allegany	9	1.0%	325%	n/a
Anne Arundel	71	8.5%	144%	n/a
Baltimore	153	18.4%	199%	n/a
Baltimore City	157	18.9%	326%	n/a
Calvert	14	1.7%	105%	589%
Caroline	10	1.2%	n/a	n/a
Carroll	18	2.1%	510%	n/a
Cecil	22	2.6%	340%	1000%
Charles	29	3.5%	130%	480%
Dorchester	10	1.2%	382%	864%
Frederick	25	3.0%	390%	2377%
Garrett	5	0.5%	350%	n/a
Harford	31	3.8%	407%	423%
Howard	16	2.0%	131%	n/a
Kent	6	0.7%	n/a	n/a
Montgomery	65	7.8%	115%	485%
Prince George's	115	13.8%	2%	451%
Queen Anne's	5	0.6%	n/a	n/a
Somerset	5	0.6%	n/a	n/a
St. Mary's	10	1.2%	139%	n/a
Talbot	6	0.7%	n/a	n/a
Washington	27	3.3%	291%	n/a
Wicomico	14	1.7%	358%	n/a
Worcester	9	1.1%	344%	n/a
Maryland	831	100%	154%	1596%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

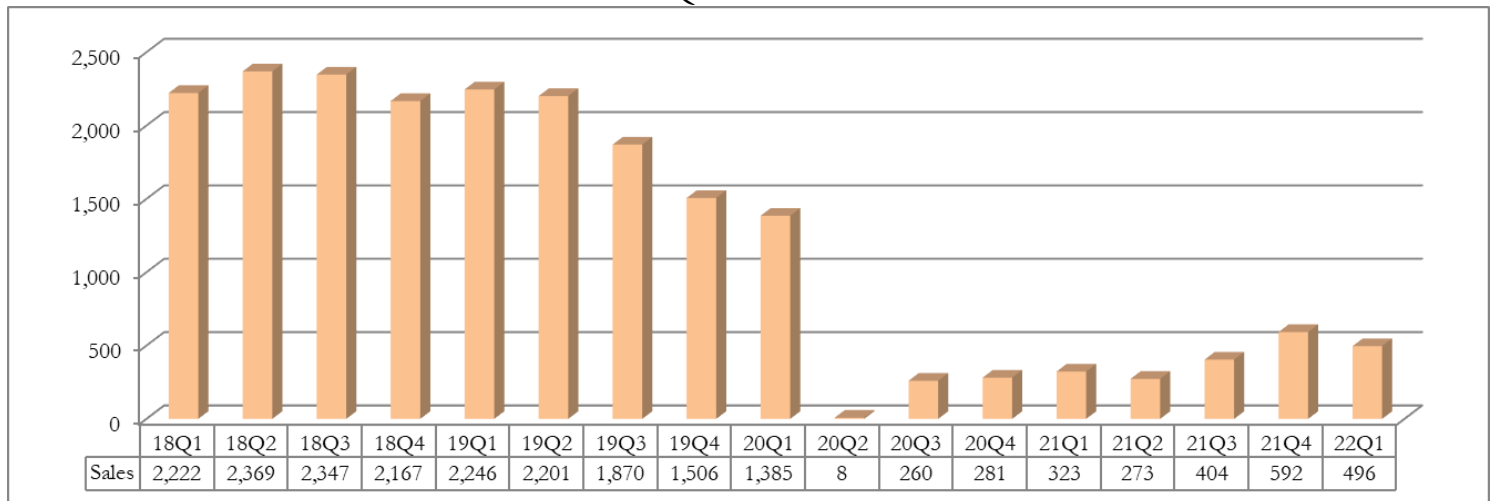
Notices of Foreclosure Sales

FIRST 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) decreased 16.2 percent from the prior quarter to 496 filings (Chart 4). Compared to the first quarter of 2021, however, foreclosure sales increased 53.6 percent. Sales rose from the previous quarter in four jurisdictions, decreased in 18, and showed no change in the other two. On an annual basis, foreclosure sales declined in 8 of Maryland’s jurisdictions, increased in 15 and remained unchanged in Garrett County. Dorchester County had the most significant quarterly growth of 107 percent while year-over-year; Somerset and Talbot Counties experienced the largest drop—100 percent.

Prince George’s County accounted for the jurisdiction with the highest share of foreclosure sales at 108 notices or 21.8 percent of all Maryland notices (Table 3). Current quarter foreclosure sales fell by 7.8 percent in the County but rose 36.5 percent when compared with the first quarter of 2021. Baltimore City with 100 notifications, or 20.2 percent of the total, had the second-highest number of foreclosure sales in Maryland. Sales in the City decreased 7 percent from the preceding quarter but rose by 132.7 percent compared with the same period in 2021. Baltimore County—with 82 notices, or 16.6 percent of the total—had the third-highest number of foreclosure sales. Notices of sales in Baltimore County went up 2.9 percent from the previous quarter and by 143.8 percent from the same period last year. The fourth-highest shares of foreclosure sales this quarter occurred in Anne Arundel County (52 sales or 10.5 percent). Together, these jurisdictions accounted for 69.1 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2022



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2022

Jurisdiction	2022 Q1		% Change from	
	Notices of Sales	% of Total	2021 Q4	2021 Q1
Allegany	2	0.3%	-38.0%	-71.0%
Anne Arundel	52	10.5%	2.5%	102.8%
Baltimore	82	16.6%	2.9%	143.8%
Baltimore City	100	20.2%	-7.0%	132.7%
Calvert	7	1.5%	-54.6%	6.7%
Caroline	3	0.6%	-42.1%	253.2%
Carroll	8	1.7%	-33.7%	28.8%
Cecil	7	1.4%	-30.0%	16.7%
Charles	20	4.0%	-20.2%	118.2%
Dorchester	6	1.3%	107.0%	47.5%
Frederick	10	2.1%	-56.4%	-23.6%
Garrett	2	0.5%	n/a	0.0%
Harford	20	4.0%	18.1%	33.3%
Howard	6	1.3%	-61.1%	-2.0%
Kent	1	0.3%	-66.8%	36.0%
Montgomery	34	6.9%	-52.4%	-7.9%
Prince George's	108	21.8%	-7.8%	36.5%
Queen Anne's	5	0.9%	-8.8%	132.0%
Somerset	0	0.0%	-100.0%	-100.0%
St. Mary's	6	1.2%	-41.1%	0.9%
Talbot	0	0.0%	-100.0%	-100.0%
Washington	6	1.2%	-31.6%	-14.4%
Wicomico	9	1.8%	n/a	206.6%
Worcester	0	0.0%	-93.0%	-95.5%
Maryland	496	100.0%	-16.2%	53.6%

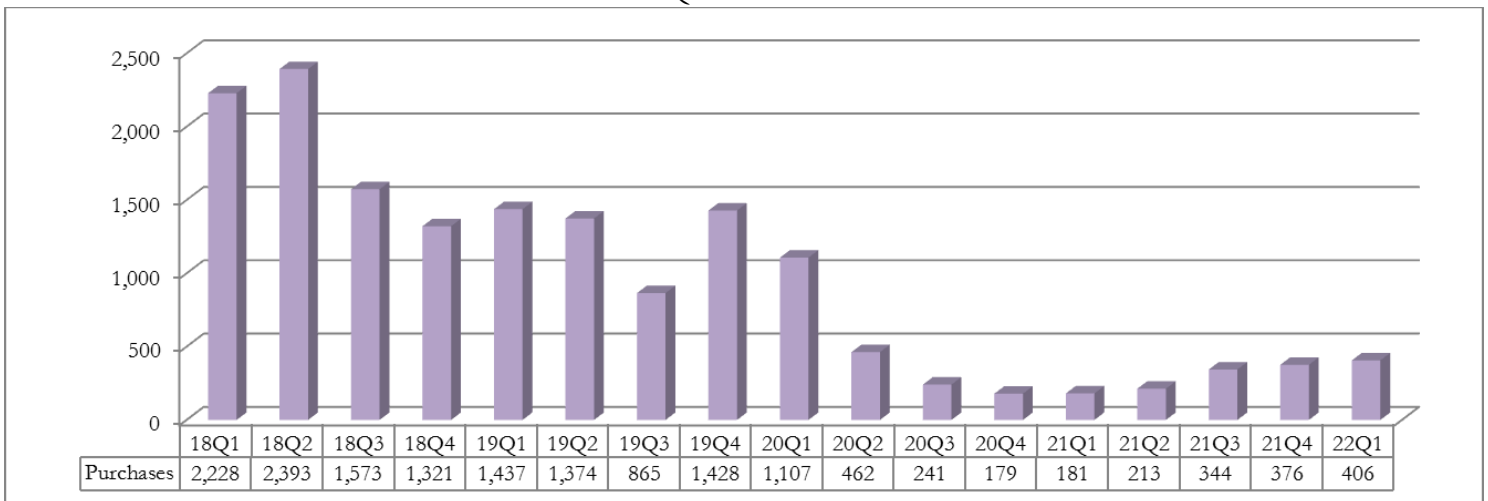
Source: RealtyTrac and DHCD, Housing and Economic Research Office

Lender Purchases of Foreclosed Properties FIRST 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), increased 8 percent since the fourth quarter to 406 (Chart 5). Compared with the same period last year, lender purchases increased by 124.3 percent. The largest quarterly and year-over-year increases were in Carroll County which rose by 278.2 percent quarterly and by 489.1 percent in Anne Arundel County annually. The increase in lender purchases is a direct reflection of foreclosure activity restarting following the COVID-19 pandemic.

In the current quarter, Baltimore City had the highest concentration in Maryland (Table 4) with 97 lender purchases or 23.9 percent of the total. Lender purchases in the City rose by 26.6 percent in the first quarter and by 216.6 percent compared with last year's volume. REO in Prince George's County, which totaled 79, accounted for the second-highest concentration at 19.5 percent of purchases statewide. Sales in Prince George's County grew by 57 percent from the prior quarter and by 108.1 percent from the first quarter of 2021. Anne Arundel County, with 41 lender purchases (10.2 percent of the total), had the third-highest concentration in Maryland. Lender purchases in that County were down 56 percent from the preceding quarter but increased 489.1 percent when compared with the levels a year ago. Together, these jurisdictions represented 53.5 percent of all lender purchases.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FIRST QUARTER 2022



Source: RealtyTrac and DHCD, Housing and Economic Research Office

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

Jurisdiction	2022 Q1		% Change from	
	Number	% of Total	2021 Q4	2021 Q1
Allegany	7	1.8%	0.0%	81.3%
Anne Arundel	41	10.2%	-56.0%	489.1%
Baltimore	97	23.9%	26.6%	216.6%
Baltimore City	32	7.8%	-7.2%	-44.5%
Calvert	11	2.7%	120.0%	450.0%
Caroline	4	0.9%	78.5%	19.0%
Carroll	7	1.8%	278.2%	120.4%
Cecil	8	2.0%	166.7%	300.0%
Charles	11	2.7%	-33.9%	450.3%
Dorchester	6	1.6%	185.8%	n/a
Frederick	8	2.0%	66.3%	255.6%
Garrett	1	0.2%	-84.2%	n/a
Harford	11	2.7%	122.7%	1007.0%
Howard	11	2.6%	-31.7%	113.8%
Kent	2	0.4%	-26.3%	n/a
Montgomery	29	7.1%	82.7%	841.4%
Prince George's	79	19.5%	57.0%	108.1%
Queen Anne's	1	0.3%	-65.4%	n/a
Somerset	4	0.9%	-2.1%	22.3%
St. Mary's	16	3.9%	75.6%	223.2%
Talbot	0	0.0%	-100.0%	-100.0%
Washington	7	1.7%	9.5%	3.9%
Wicomico	7	1.8%	-16.1%	283.4%
Worcester	6	1.5%	172.0%	93.2%
Maryland	406	100.0%	8.0%	124.3%

Source: RealtyTrac and DHCD, Housing and Economic Research Office