

# Foreclosures Update

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Rick Nelson, DHCA Director  
5/6/2011

# CountyStat Principles

- **Require Data Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



# Agenda

- **Follow-up Items from Last CountyStat Meeting**
- **County Foreclosure Prevention Programs**
  - Education & Outreach
  - Foreclosure Counseling
    - Comparison to Other Maryland Counties (StateStat)
- **Foreclosure Events**
  - Montgomery County Over Time
  - Montgomery County Compared to Other Maryland Counties
- **Foreclosure Hot Spots in Montgomery County (through 2010 Q4)**
  - Foreclosure Data
  - Housing Market Indicators



# Meeting Goals

- **Foreclosures:**

- Evaluate the current state of foreclosure events in the County, compare to previous quarters, and compare to other Maryland counties.



## Follow-up Item Status (1 of 2)

Complete

- **Determine whether there is comparable foreclosure counseling data for other Maryland jurisdictions.**

*StateStat collects counseling data from all counseling agencies subsidized with State funds. That information is presented in this briefing.*

In progress

- **Gather data on the County's total housing units in each zip code to compare to the percent of units sold in identified foreclosure hot spot zip codes.**

*CountyStat and DHCA are working with a contact in GCAAR to gather this information.*

Complete

- **Determine what percent of affordable housing unit production cost's decline is related to weatherization projects.**

*In FY09, the cost/unit produced was \$57,076; in FY10, the cost/unit produced was \$44,672 including weatherization and \$53,859 without weatherization (20% higher).*



Source: CountyStat Follow-up Memo, 11/9/2010

[http://www.montgomerycountymd.gov/content/EXEC/stat/pdfs/11\\_9\\_2010\\_memo.pdf](http://www.montgomerycountymd.gov/content/EXEC/stat/pdfs/11_9_2010_memo.pdf)

## Follow-up Item Status (2 of 2)

Complete

- **Review income in Montgomery County over the last three years to determine whether it's a possible factor in the changing housing burden for renters in 2009.**

*CountyStat reviewed this data and determined that income did not seem to be a factor in the changing housing burden.*

Complete

- **Schedule meeting on Homeowners' Associations (HOAs). Office of Consumer Protection will be the lead department involved.**

*Meeting was held in January. Results are included in this presentation.*

Incomplete

- **Determine whether there is county-level data on the length of time to close on a home loan.**

*CountyStat has researched several national and regional data sources, and has been unable to gather County-level data on the length of time to close a home loan.*



Source: CountyStat Follow-up Memo, 11/9/2010

[http://www.montgomerycountymd.gov/content/EXEC/stat/pdfs/11\\_9\\_2010\\_memo.pdf](http://www.montgomerycountymd.gov/content/EXEC/stat/pdfs/11_9_2010_memo.pdf)

# County Foreclosure Prevention Programs

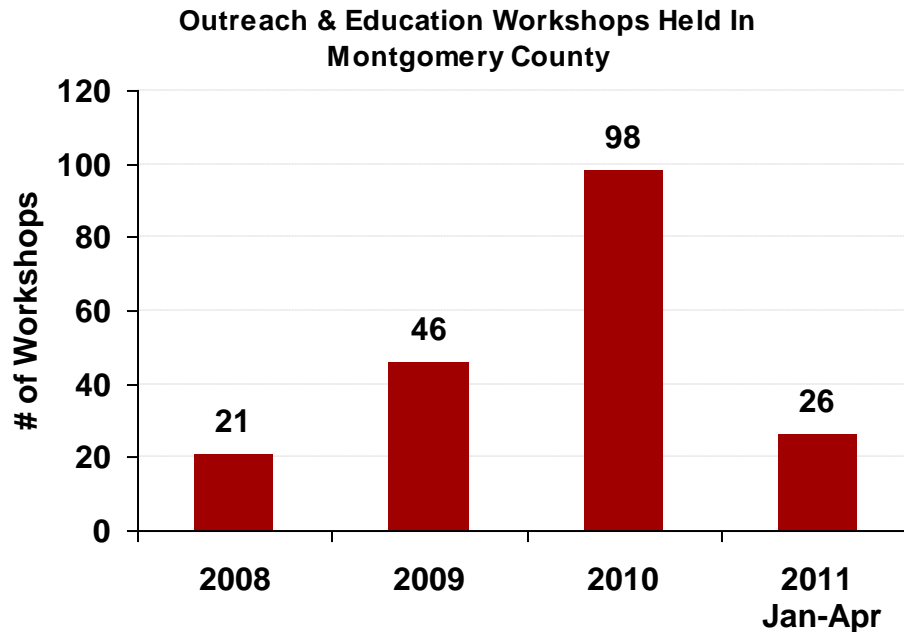
## County Foreclosure Programs

- **Education & Outreach: foreclosure workshops**
  - 191 workshops have been held; many have been in areas of high foreclosures
  - More than half of the workshops held have had less than 50 participants
    - However, DHCA has encouraged workshop organizers to adopt a more individualized approach, resulting in lower attendance
  
- **Counseling: individual foreclosure counseling**
  - More than 4,000 clients have been served
  - According to foreclosure counselor agency reports, the most commonly reported outcome is “mortgage modified”



# Foreclosures: Outreach & Education Workshops

- DHCA, with partner agencies, has held 191 outreach and education workshops since April 2008
- 70% of workshops held were in foreclosure hot spot zip codes (Germantown, Gaithersburg, Silver Spring)
- Most workshops had fewer than 50 participants, in line with DHCA's more individualized approach



Attendance	Workshops
0-24	136
25-49	27
50-69	13
70-99	7
100+	8
<b>Total Workshops</b>	<b>191</b>





## Foreclosures: Prevention Counseling

Counseling Centers	Reporting Period	Number of Clients Counseled As of 3-2011
Homefree-USA	09/08-03/11	3,182
Latino Economic Development Corporation	09/08-03/11	627
Housing Initiative Partnership	01/09-03/11	774
Asian-American Homeownership Counseling	01/11-03/11	12

- **Currently, there are four housing counseling agencies performing foreclosure counseling for County residents**
  - The Asian-American Homeownership Counseling organization was added in January 2011.
- **Through March 2011, these agencies counseled 4,595 clients**



Source: Counseling vendor monthly reports, DHCA

# Follow-up Item

## Foreclosures: Prevention Counseling Benchmark (1 of 2)

The data displayed below is reported to the State of Maryland for all counseling agencies. Those represented below are the three agencies providing services in Montgomery County at the time of the report.

Providers serving Montgomery County, MD	# Counselors*	FY10Q1				FY10Q2				FY10Q3				FY10Q4			
		Cases/Pending Outcome	# Active Counselored	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselored	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselored	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselored	Positive Outcomes	Negative Outcomes
HomeFree USA	10	1,464	1,317	487	12	1,420	1,183	454	13	1,698	1,819	603	33	1,142	964	380	17
HIP	5	151	381	77	5	224	421	75	4	287	533	106	17	275	399	89	14
LEDC	3	162	224	13	0	178	235	53	2	184	247	16	2	184	137	12	0
% of Wash Metro	47%	72%	72%	80%	61%	79%	74%	81%	70%	78%	74%	79%	95%	62%	42%	48%	47%
Washington Metro	43	2,461	2,668	717	28	2,310	2,474	715	27	2,771	3,529	923	55	2,567	3,556	1,007	66

\*Note: HomeFree USA and HIP serve Montgomery and Prince George's County. This data is inclusive of clients served in both counties.

The table shows the percent of clients served by the 3 providers working in the Montgomery County\* compared to the total clients served by all providers working in the region (13 total).



Source: Maryland StateStat, Department of Housing and Community Development Report, HOPE/NFMC Initiative from August 10, 2010 & December 15, 2010



# Follow-up Item

## Foreclosures: Prevention Counseling Benchmark (2 of 2)

The data displayed below is reported to the State of Maryland for all counseling agencies. Those represented below are the three agencies providing services in Montgomery County at the time of the report.

Providers serving Montgomery County, MD*	# Counselors*	FY11Q1				FY11Q2 to date			
		Cases/Pending Outcome	# Active People Counseled	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active People Counseled	Positive Outcomes	Negative Outcomes
HomeFree USA*	10	730	1,081	393	32	595	488	198	3
HIP*	5	302	476	79	14	336	554	69	14
LEDC	3	161	213	16	0	145	138	12	2
% of Wash Metro	47%	62%	55%	69%	55%	45%	53%	65%	51%
Washington Metro	43	1,937	3,232	706	83	2,369	2,245	427	37

### Definitions

**Number of Active Foreclosure Clients:** Number of foreclosure clients in the provider is currently working with

**Number of people counseled this month:** Number of people who were provided personalized foreclosure counseling for the first time in the month

**Positive Outcomes:** Brought mortgage current; Mortgage Refinanced; Mortgage Modified; Mortgage Modified- HAMP; Received second Mortgage; Initial forbearance agreement/repayment plan; Sold Property/chose alternative housing solution; Pre-foreclosure Sale

**Negative Outcomes:** Executed a Deed-In-Lieu; Mortgaged Foreclosed; Bankruptcy

\*Note: HomeFree USA and HIP serve Montgomery and Prince George's County. This data is inclusive of clients served in both counties.

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# Follow-up Item

## Foreclosures: Prevention Counseling Benchmark (1 of 2)

The data displayed below is reported to the State of Maryland.

MD Region (# of providers)	# Counselors*	FY10Q1				FY10Q2				FY10Q3				FY10Q4			
		Cases/Pending Outcome	# Active Counselored	# People Counselored	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselored	# People Counselored	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselored	# People Counselored	Positive Outcomes	Negative Outcomes	
Baltimore Metro (14)	31	1,313	1,275	277	20	1,327	1,663	282	34	1,026	1,258	314	30	1,025	1,384	327	51
Eastern Shore (4)	7	102	209	59	1	138	254	62	12	153	272	58	8	97	228	64	10
Washington Metro (13)	43	2,461	2,668	717	28	2,310	2,474	715	27	2,771	3,529	923	55	2,567	3,556	1,007	66
Western Maryland (4)	8	274	285	97	29	191	261	78	33	214	260	58	31	203	290	49	26
<b>Total</b>	<b>89</b>	<b>4,150</b>	<b>4,437</b>	<b>1,150</b>	<b>78</b>	<b>3,966</b>	<b>4,652</b>	<b>1,137</b>	<b>106</b>	<b>4,164</b>	<b>5,319</b>	<b>1,353</b>	<b>124</b>	<b>3,892</b>	<b>5,458</b>	<b>1,447</b>	<b>153</b>

\*As of 12/15/2010

The table shows the number of counseling cases in each Maryland region. Washington Metro includes Montgomery and Prince George's Counties.

Source: Maryland StateStat, Department of Housing and Community Development Report, HOPE/NFMC Initiative from August 10, 2010 & December 15, 2010



# Follow-up Item

## Foreclosures: Prevention Counseling Benchmark (2 of 2)

The data displayed below is reported to the State of Maryland.

MD Region (# of providers)	# Counselors*	FY11Q1				FY11Q2 to date			
		Cases/Pending Outcome	# Active Counselled	# People Counselled	Positive Outcomes	Negative Outcomes	Cases/Pending Outcome	# Active Counselled	# People Counselled
Baltimore Metro (14)	31	1,394	1,158	253	37	1,087	811	106	12
Eastern Shore (4)	7	142	221	36	4	164	133	46	5
Washington Metro (13)	43	1,937	3,232	706	83	2,369	2,245	427	37
Western Maryland (4)	8	232	330	85	174	224	213	45	26
<b>Total</b>	89	3,705	4,941	1,080	174	3,844	3,402	624	80

### Definitions

**Number of Active Foreclosure Clients:** Number of foreclosure clients in the provider is currently working with

**Number of people counseled this month:** Number of people who were provided personalized foreclosure counseling for the first time in the month

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**Negative Outcomes:** Executed a Deed-In-Lieu; Mortgaged Foreclosed; Bankruptcy

\*As of 12/15/2010

The table shows the number of counseling cases in each Maryland region. Washington Metro includes Montgomery and Prince George's Counties.

Source: Maryland StateStat, Department of Housing and Community Development Report, HOPE/NFMC Initiative from December 15, 2010



## Follow-up Item

### CountyStat Meeting on COCs and HOAs, 1/28/2011

Identify the COC with delinquencies at 32% and communicate to DHCA, so the County can reach-out to them with foreclosure assistance.

- **DHCA staff worked with the property manager for these communities to identify and implement strategies to provide information and other resources to residents**
  - DHCA presented foreclosure prevention information at the community's Board meeting on 4/28/2011 to community residents
  - Foreclosure prevention information was included in the community's Spring 2011 Newsletter
  - DHCA will host a marketing table in a local mall to provide foreclosure prevention information to residents
  - The community's manager has allowed the County to leave doorhangers on all units with information on foreclosure scam prevention



# Foreclosure Events

## Total events, Notices of Default, Notices of Sale, Lender Purchases

- From the peak of foreclosures in 2009 Q3, Montgomery County has experienced an 81% decrease in total foreclosure events.
- Notices of defaults declined by 91% compared to the same quarter last year (2010 Q1).
- Rate of Foreclosure Filings (As of Q410): When normalized by housing units, Montgomery County is 5<sup>th</sup> of the 5 largest jurisdictions, down from 2<sup>nd</sup> in 2009Q2, behind Prince George's County, Baltimore City, Baltimore County and Anne Arundel County.

Housing Units per Foreclosure Event, 4th Quarter, 2010

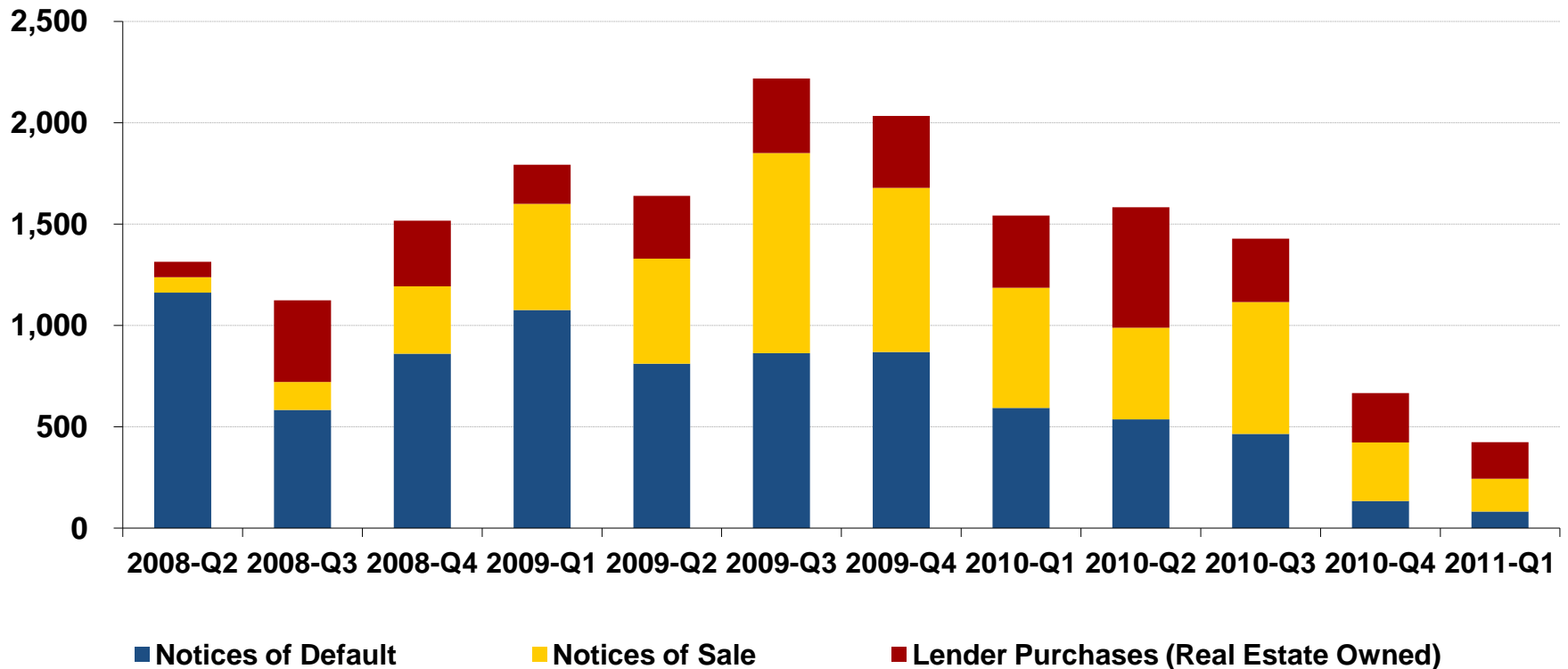
Jurisdictions	Housing Units (As of Q410)		Foreclosure Filings (As of Q410)	
	Number	% of total housing units in Maryland	Number	Housing units per Foreclosure
Prince George's	321,577	13.8%	11,810	27
Baltimore City	294,298	12.6%	6,428	46
Anne Arundel	204,199	7.1%	3,029	67
Montgomery	364,998	15.6%	4,636	79
Baltimore	328,125	14.1%	4,409	74

Property foreclosures in Maryland declined by 20.2% to 4,777 events in the first quarter of 2011, the lowest quarterly filings since the third quarter of 2007. Maryland property foreclosures declined by 67.8% below last year, representing the second largest annual decline in the nation.



Source: Maryland DHCD, Quarterly Foreclosure Reports

# Foreclosure Events Montgomery County



According to MD-DHCD, the decline in Maryland foreclosure filings during the past two quarters can be attributed in large part to lenders continuing to adjust to new procedures set forth in the new foreclosure mediation law that went into effect on July 1, 2010, requiring financial institutions/lenders to provide additional information/forms to homeowners when filing notices.

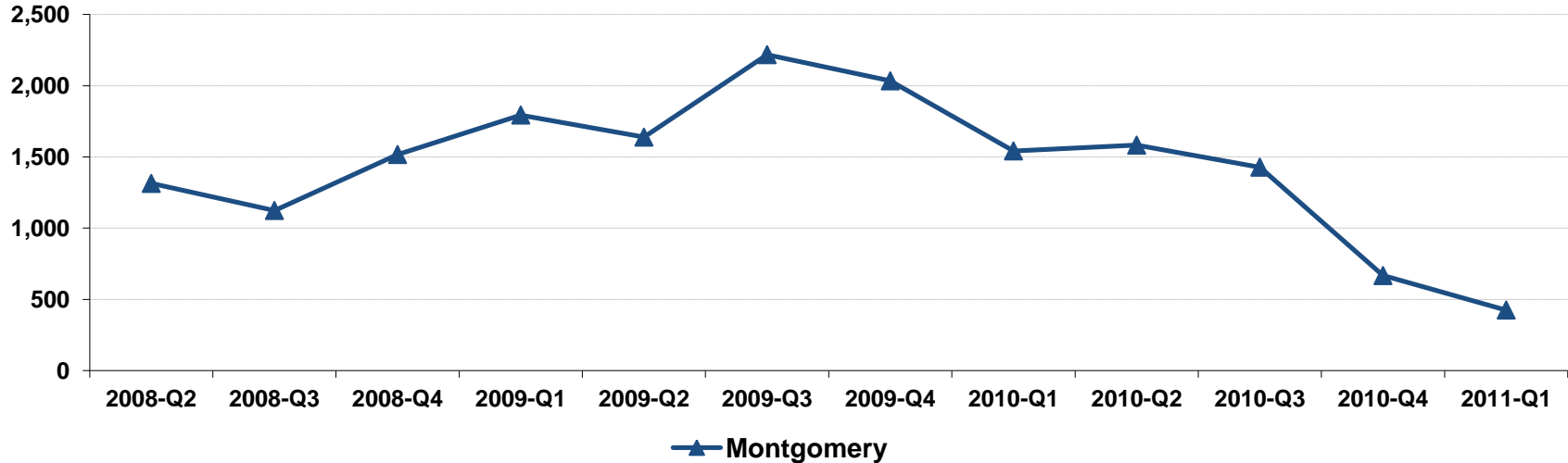
Source: Maryland DHCD, Quarterly Foreclosure Reports





# Foreclosures: Total Events

## Total Foreclosure Events, Montgomery County



Jurisdictions	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-Q3	2009-Q4	2010-Q1	2010-Q2	2010-Q3	2010-Q4	2011-Q1
Prince George's	2,853	2,789	3,621	3,071	3,427	4,454	5,116	3,816	4,331	4,115	1,736	2,005
Baltimore City	991	878	1,111	715	760	1,656	2,204	2,456	2,066	1,873	845	448
Montgomery	1,314	1,124	1,517	1,794	1,639	2,218	2,034	1,542	1,583	1,428	667	425
Baltimore	781	761	880	574	575	1,345	1,827	1,827	1,854	1,567	652	425
Anne Arundel	795	521	642	582	534	1,001	1,155	1,131	1,168	1,026	460	326

From the peak of foreclosures in 2009 Q3, Montgomery County has experienced a 72% decrease in total foreclosure events.

Colors represent year over year comparison

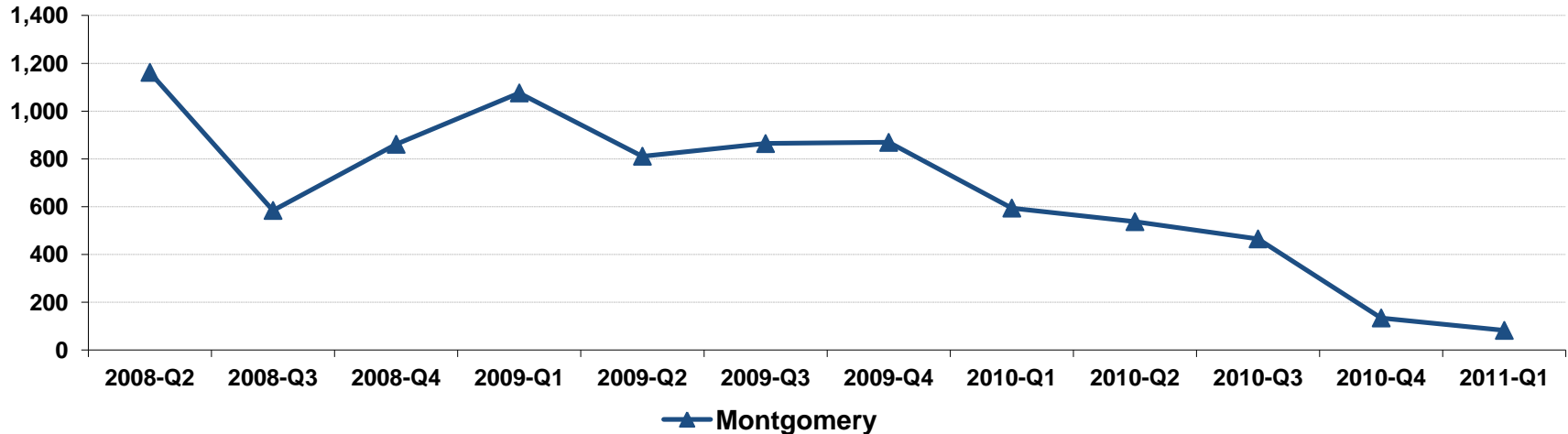
	More than 25% increase
	Between 25% and -25%
	More than -25% decrease



Source: Maryland DHCD, Quarterly Foreclosure Reports

# Foreclosures: Notices of Default

## Notices of Default, Montgomery County



Jurisdictions	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-Q3	2009-Q4	2010-Q1	2010-Q2	2010-Q3	2010-Q4	2011-Q1
Prince George's	2,411	1,861	2,458	2,020	2,365	2,165	1,631	1,283	1,642	1,215	396	414
Baltimore City	832	596	928	568	617	565	569	824	655	345	178	97
Montgomery	1,162	584	861	1,076	811	864	869	594	537	465	134	82
Baltimore	679	513	712	415	426	641	589	651	622	322	176	77
Anne Arundel	648	333	455	437	400	354	498	429	405	243	119	35

In Montgomery County, notices of defaults declined by 86% compared to one year ago (2010 Q1).

Colors represent year over year comparison

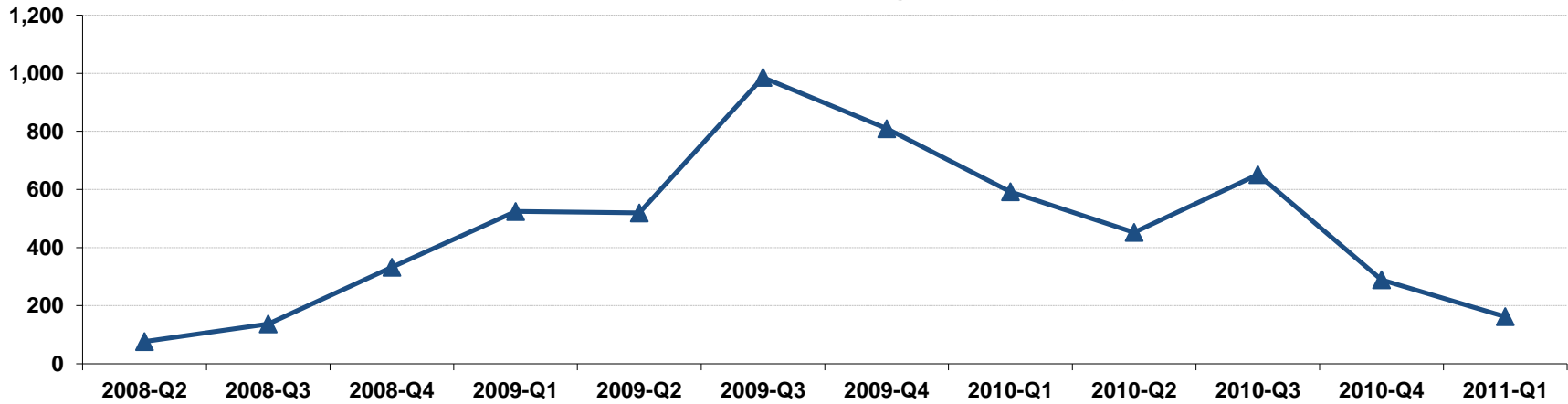
	More than 25% increase
	Between 25% and -25%
	More than -25% decrease



Source: Maryland DHCD, Quarterly Foreclosure Reports

# Foreclosures: Notices of Sale

## Notices of Sale, Montgomery County



—▲ Montgomery

Jurisdictions	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-Q3	2009-Q4	2010-Q1	2010-Q2	2010-Q3	2010-Q4	2011-Q1
Prince George's	292	213	570	733	481	1,771	2,767	1,945	2,093	2,118	564	286
Baltimore City	112	40	38	37	22	831	1,320	1,050	1,127	1,138	213	112
Montgomery	76	137	332	524	519	986	809	592	452	651	289	162
Baltimore	73	40	29	29	10	520	994	937	960	964	197	160
Anne Arundel	35	50	81	64	16	474	479	566	552	627	162	80

In Montgomery County, notices of sale have decreased by 73% compared to 2010 Q1.

Colors represent year over year comparison

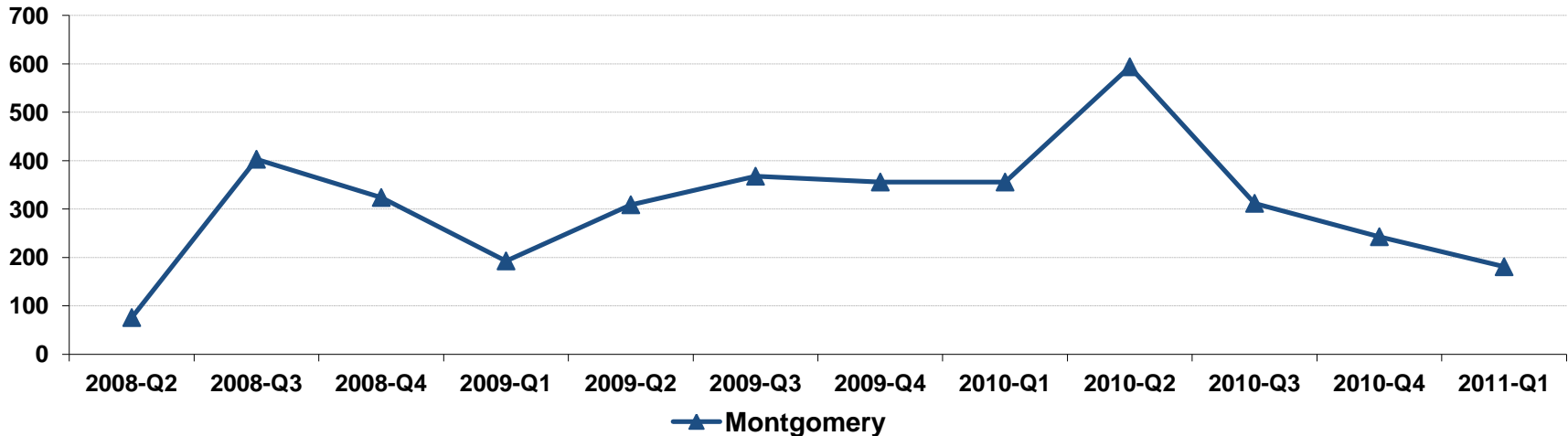
Red	More than 25% increase
Yellow	Between 25% and -25%
Green	More than -25% decrease



Source: Maryland DHCD, Quarterly Foreclosure Reports

# Foreclosures: Lender Purchases

## Lender Purchases, Montgomery County



Jurisdictions	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-Q3	2009-Q4	2010-Q1	2010-Q2	2010-Q3	2010-Q4	2011-Q1
Prince George's	150	715	592	318	581	519	718	588	596	783	776	1,305
Baltimore City	47	242	145	110	120	260	315	582	285	390	454	239
Montgomery	76	403	324	193	309	368	356	356	594	312	243	181
Baltimore	29	208	139	130	139	184	244	239	272	281	280	187
Anne Arundel	112	138	106	81	119	173	178	136	211	157	179	210

In Montgomery County, lender purchases declined 49% compared to the same quarter last year (2010 Q1).

Colors represent year over year comparison

Red	More than 25% increase
Yellow	Between 25% and -25%
Green	More than -25% decrease



# Loan Data

## Montgomery County Compared to Washington, D.C. Metro Area

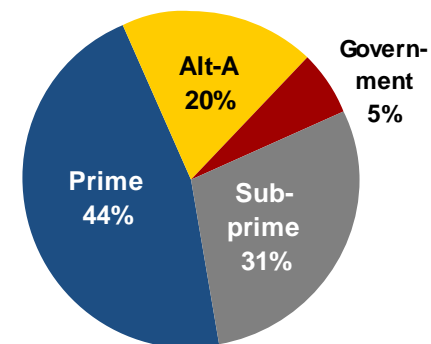
### Key Mortgage Performance Indicators

December 2010	Montgomery County, MD	Washington, D.C. Metropolitan Area
<b>Foreclosure Inventory</b>		
Number of Loans	4,000	29,900
Percent of Loans	1.9	2.5
<b>Mortgages 30 or More Days Delinquent</b>		
Number of Loans	12,100	92,100
Percent of Loans	5.8	7.6
Pct. Point Change Since 12/2009	-1.0	-1.7
Pct. Point Change Since 12/2008	0.5	0.0
<b>Mortgages 90 or More Days Delinquent</b>		
Number of Loans	6,800	46,500
Percent of Loans	3.3	3.9
Pct. Point Change Since 12/2009	-0.5	-1.2
Pct. Point Change Since 12/2008	1.1	0.8
<b>ZIP Codes with High/Highest Risk for New REO</b>		
Number of ZIP Codes	8	89
Percent of ZIP Codes	23.5	37.9

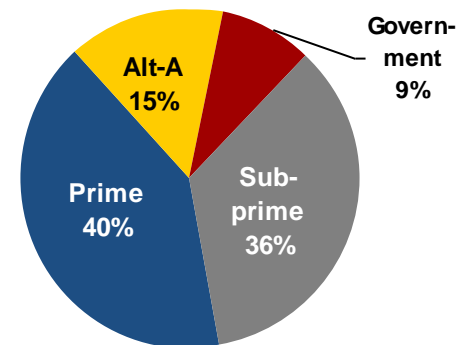
*Note: Number of loans rounded to the nearest hundred*

Foreclosure Inventory by Loan Grade

### Montgomery County



### Washington Metro



**Source: Washington, D.C. Metropolitan Area Foreclosure Monitor: County Profiles**

([http://www.neighborhoodinfodc.org/CountyProfilesPDFs/2010Q4/Montgomery\\_County\\_MD\\_2010Q4.pdf](http://www.neighborhoodinfodc.org/CountyProfilesPDFs/2010Q4/Montgomery_County_MD_2010Q4.pdf))

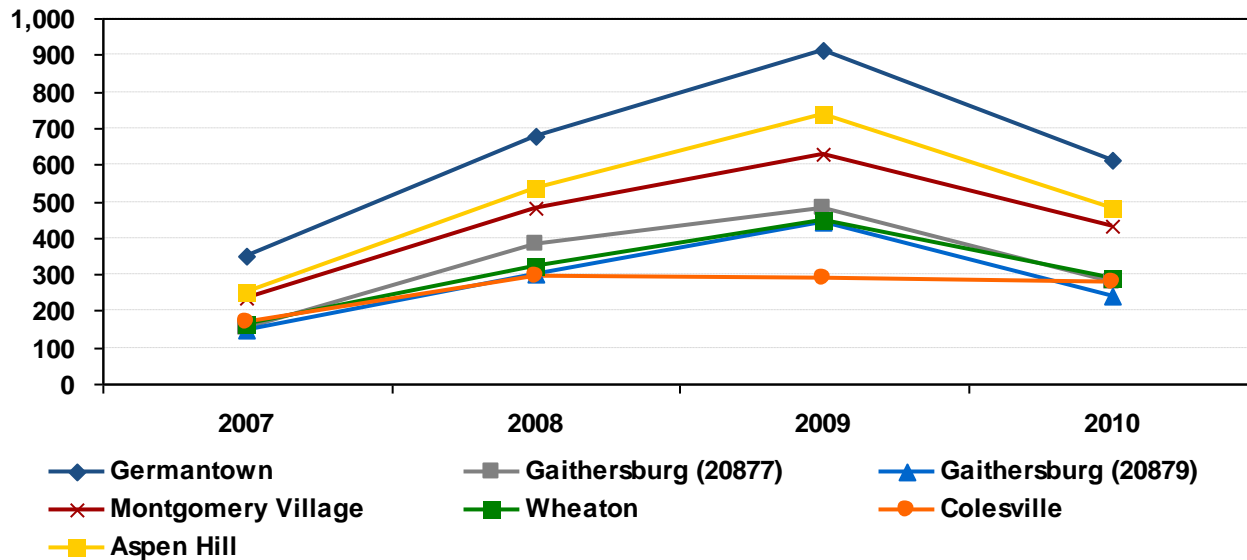


# Foreclosures: Hot Spot Analysis

## Hot Spots: Montgomery County communities over time

- Maryland Dept of Housing and Community Development has identified 6 “hot spots” in Montgomery County in 2011Q1, up from 5 in 2009Q4 (the last time we met), and down from the high of 19 in 2009/Q1
- CountyStat, in a separate analysis, identified 7 communities in the 7-10-2009 meeting which represent most of the foreclosure activity in the County
  - Germantown (20874), Gaithersburg (20877 & 20879), Montgomery Village (20886), Wheaton (20902), Colesville (20904), Aspen Hill (20906)

Total Foreclosure Events – Hot Spot Zipcodes, 2007-2010



Community	% Change 2009-2010
Germantown	-33%
Gaithersburg (20877)	-42%
Gaithersburg (20879)	-45%
Montgomery Village	-31%
Wheaton	-35%
Colesville	-4%
Aspen Hill	-35%



Source: Maryland DHCD, Quarterly Foreclosure Reports



# Foreclosures: Hot Spot Analysis

## Communities w/ High Foreclosure Concentration

### Foreclosures

- 2009 seems to be the peak of foreclosure activity in these communities
- Compared to 2009 totals, all listed communities, except for Colesville, had more than a 30% decrease in foreclosure events in 2010.
- Of the communities id'd here, only Montgomery Village is still considered a “hot spot” by the State
- In this quarter, all of the listed communities have returned to pre-2008 foreclosure levels

Zip Codes		2007				2008				2009				2010				2011
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
20874	Germantown	23	60	106	158	204	157	145	170	229	173	267	241	172	196	167	78	55
20877	Gaithersburg	9	37	42	65	103	87	86	105	118	107	143	112	88	91	68	33	15
20879	Gaithersburg	6	21	49	74	85	72	59	86	114	99	110	118	78	76	55	33	11
20886	Mont. Village	18	50	67	98	143	115	93	131	148	130	186	166	123	143	117	51	26
20902	Wheaton	9	42	42	72	89	75	62	94	105	97	130	117	80	87	91	34	26
20904	Colesville	11	29	48	79	95	71	53	75	80	86	123	112	82	82	68	44	19
20906	Aspen Hill	14	55	69	115	162	126	108	138	179	141	202	215	142	119	151	68	32

Note: Seven zip codes represent half of all foreclosure activity in the County.



# Foreclosures Hot Spot Analysis:

## Hot Spots: Montgomery County communities over time

### Housing Indicators

- Units sold in those zip codes represent 30-40% of total units sold in the county
- Median Home Sale Price has been and continues to be lower than the median home sale price for the entire county
- For the last five quarters (2009Q4-2010Q4), Average Number of Days on Market is lower for this subset compared to the entire county. This has fluctuated over the observed period.

Housing units sold in identified hot spot zip codes as a % of total units sold in Montgomery County, 2007-2009

	2007				2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Units sold in Hot Spots	814	964	776	581	468	712	797	696	567	915	1,029	974	713	1,032	836	759
% of total units sold in the county	32%	32%	30%	32%	32%	30%	33%	38%	38%	34%	35%	37%	38%	33%	34%	34%

Source: Metropolitan Regional Information Systems, Inc., Real Estate Business Intelligence, <http://www.rbintel.com/statistics/montgomery-county-md>

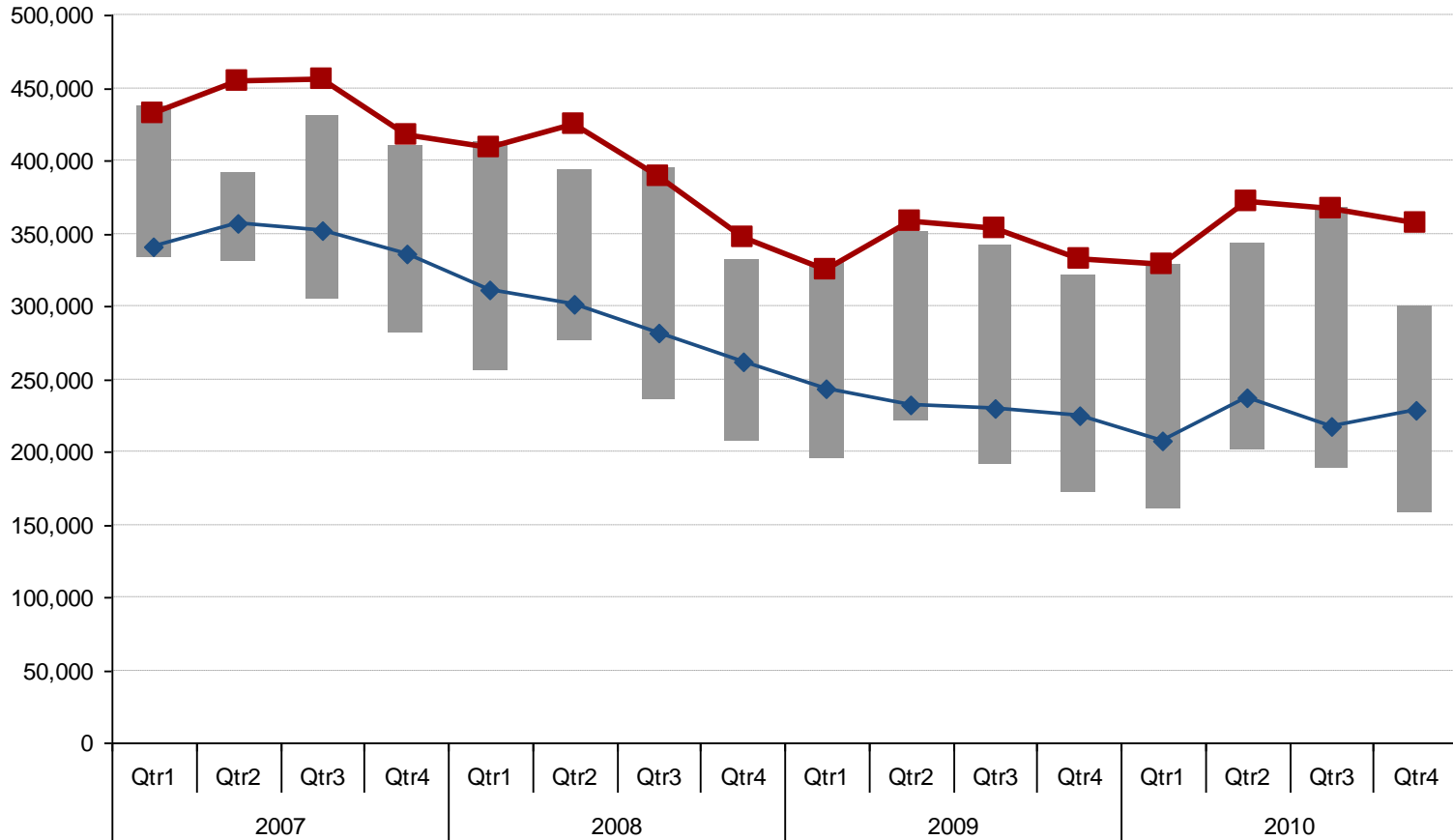
Total Housing Units in Montgomery County: 361,760 (MOE = +/-562).

Data Source: 2005-2009 American Community Survey 5-Year Estimates (Data not available at zip code level).





# Foreclosures Hot Spot Analysis: Median Home Sales Price in Communities with High Foreclosure Concentration

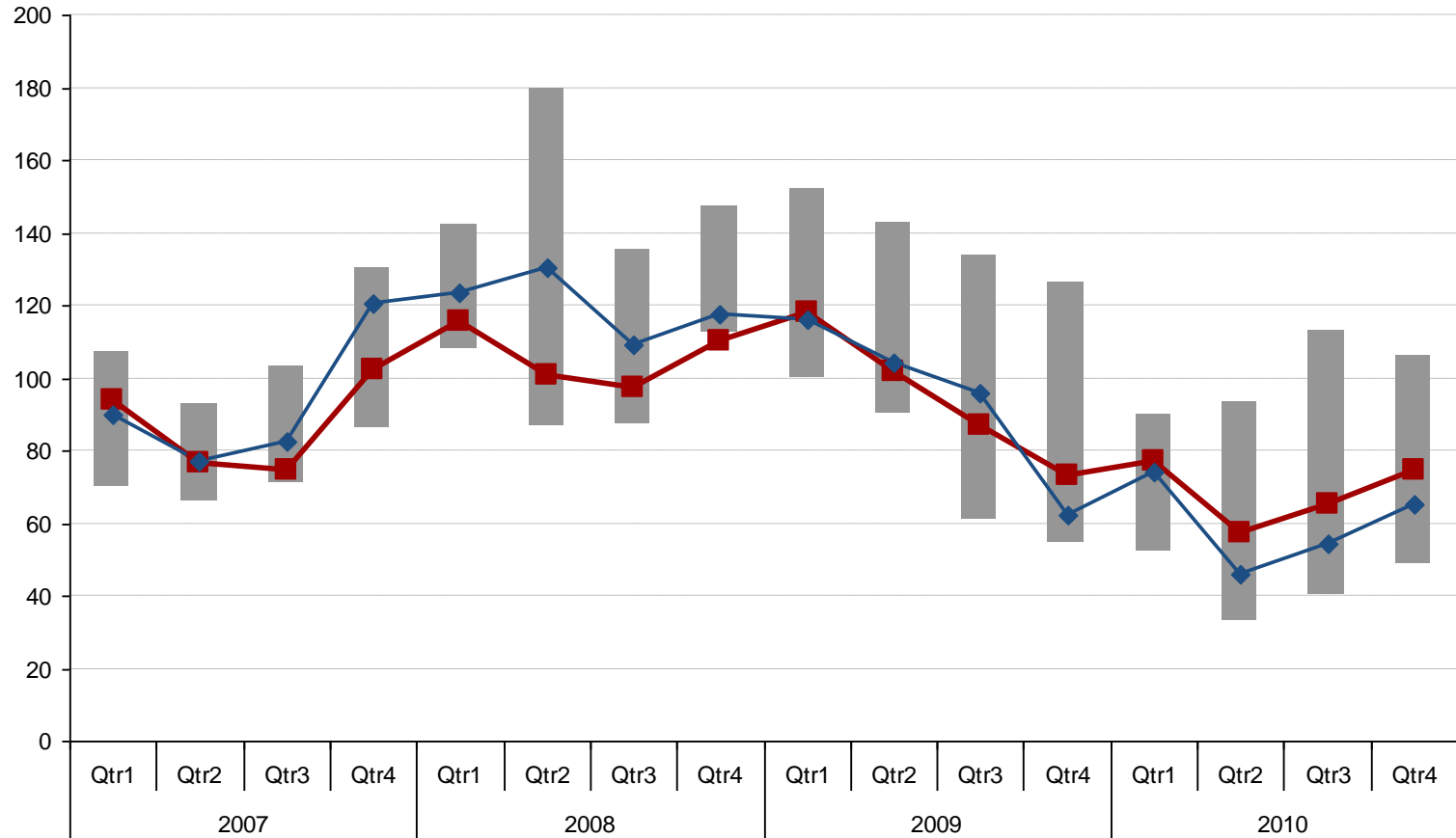


Range – Hot Spot Zip Codes
  Median Sales Price – Hot Spot Zip Codes
  Median Sales Price – Montgomery County

**Source: Metropolitan Regional Information Systems, Inc., Real Estate Business Intelligence,**  
<http://www.rbintel.com/statistics/montgomery-county-md>



# Foreclosures Hot Spot Analysis: Average Days on Market in Communities with High Foreclosure Concentration



Range – Hot Spot Zip Codes
  Days on Market – Hot Spot Zip Codes
  Days on Market – Montgomery County

**Source: Metropolitan Regional Information Systems, Inc., Real Estate Business Intelligence,**  
<http://www.rbintel.com/statistics/montgomery-county-md>



# Wrap-up

- Follow-up items

