



KATHLEEN JENNINGS  
ATTORNEY GENERAL

DEPARTMENT OF JUSTICE  
NEW CASTLE COUNTY  
820 NORTH FRENCH STREET  
WILMINGTON, DELAWARE 19801

CIVIL DIVISION (302) 577-8400  
FAX (302) 577-6630  
CRIMINAL DIVISION (302) 577-8500  
FAX (302) 577-2496  
FRAUD DIVISION (302) 577-8600  
FAX (302) 577-6499

July 16, 2025

The Honorable Eric M. Davis  
Superior Court  
500 N. King Street  
Wilmington, DE 19801

The Honorable David P. Sokola  
Legislative Hall  
P.O. Box 1401  
Dover, DE 19903

The Honorable Melissa Minor-Brown  
Legislative Hall  
P.O. Box 1401  
Dover, DE 19903

RE: Foreclosure Filing Data – 2024

Dear President Judge Davis, President Pro Tempore Sokola and Speaker Minor-Brown:

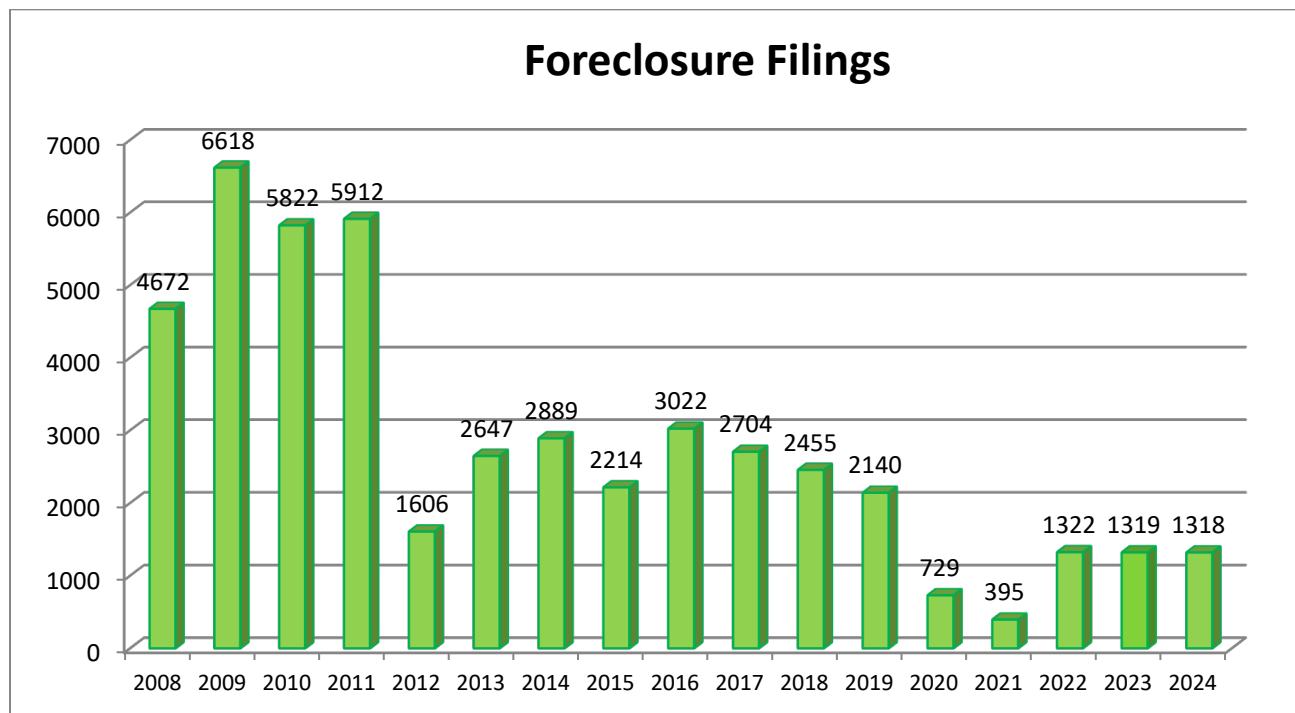
As the delegee of the Superior Court under 10 *Del. C.* § 5062C(t), the Department of Justice is required to periodically report relevant statistics about the proceedings of the Mediation Program. This letter serves as the report for 2024.

In June 2024, the General Assembly passed SB 245 eliminating the sunset date for the Automatic Residential Foreclosure Mediation Program and the Office of Foreclosure Prevention. These programs, originally intended as temporary, have helped thousands of homeowners remain in their homes during the last thirteen years. Preserving home ownership and educating homeowners regarding their rights and responsibilities is critical. The Department of Justice under the direction of the Superior Court looks forward to continuing to administer these programs for all Delaware homeowners facing foreclosure.

## 1. Statistical Snap Shot

In 2024, 1,124 eligible foreclosure actions were filed with the Superior Court. The Program Administrator and staff filed 919 Mediation Scheduling Notices and 205 Certificates of Participation. During 2024, the Mediation Program scheduled 1,662 mediation conferences, averaging 139 conferences per month. Cumulatively from January 2012 through December 31, 2024, 17,982 eligible foreclosure actions were filed, with a **54.95% homeowner participation rate**. Of those Delaware homeowners who elect to actively participate in the Mediation Program, **66.30%** either achieved a non-foreclosure resolution or remain in mediation and continue loss mitigation negotiations with their lender/servicer. A more detailed overview of foreclosure statistics may be found on the Mediation Program website at: <http://attorneygeneral.delaware.gov/fraud/cpu/automediation.shtml>

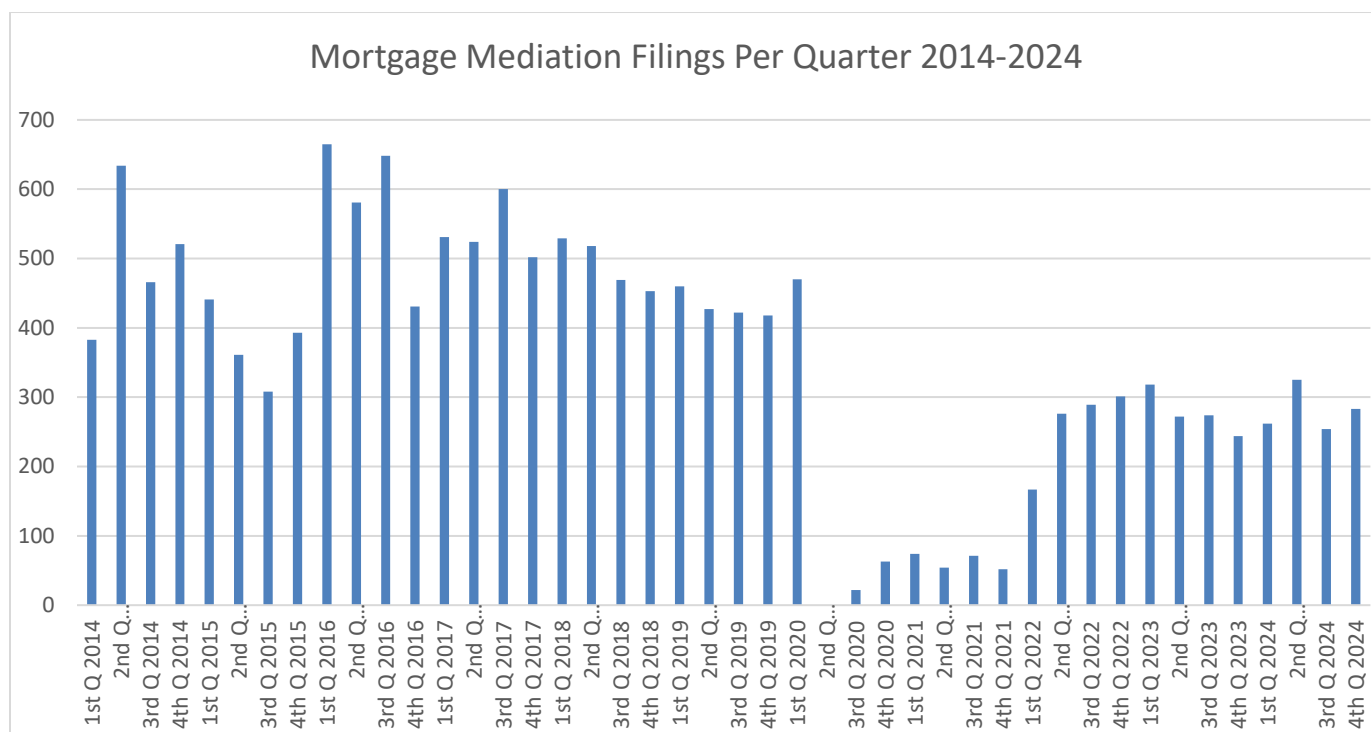
The following chart demonstrates the number of foreclosure actions<sup>1</sup> filed statewide in the calendar years indicated. For the last three years, the number of foreclosure filings has remained stable.



<sup>1</sup> This data is compiled through December 31, 2024. Additional information by county and case type is available on the Department of Justice's website: <http://attorneygeneral.delaware.gov/fraud/cpu/automediation.shtml>

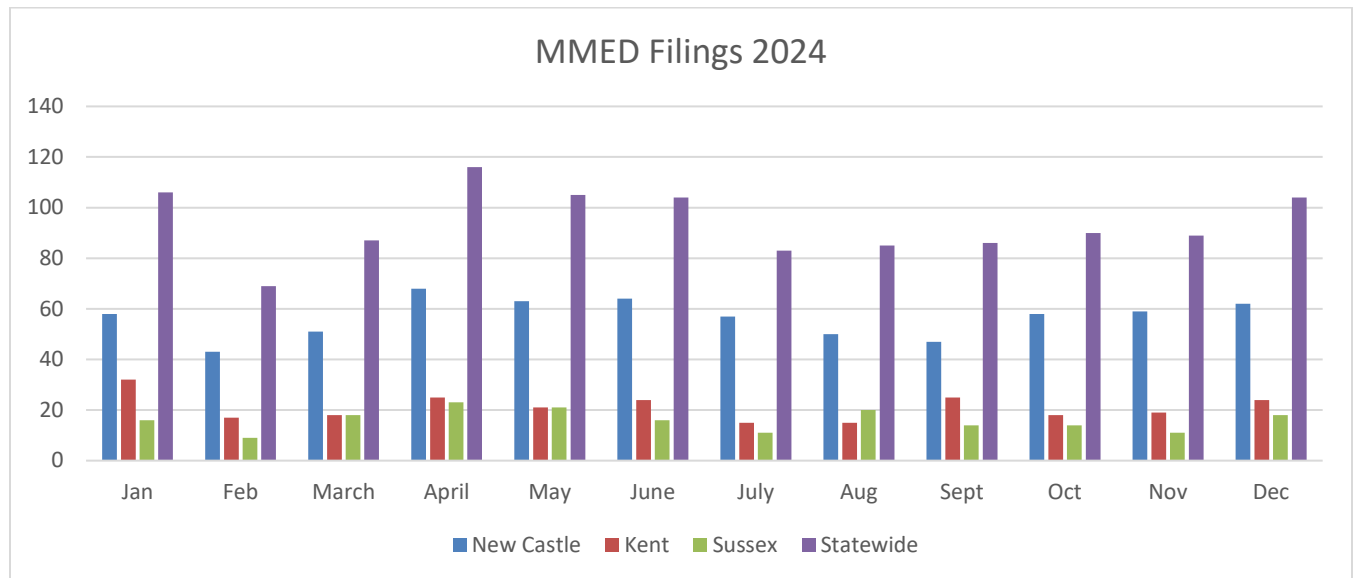
## 2. Foreclosure Filings Since Inception of the Mediation Program

Between January 19, 2012 and December 31, 2023, there were a total of 24,602 foreclosure filings statewide with 17,982 of those cases, or 73.09%, eligible for the Mediation Program.<sup>2</sup> In 2019 and the First Quarter of 2020, there were an average of 439 filings per quarter. Foreclosure filings halted in March 2020 due to the Covid Pandemic. Once foreclosure filings resumed in July 2020, there were an average of 76 filings per quarter and 43 were mediation eligible. In 2021, there were an average of 99 foreclosure filings per quarter, 63 were mediation eligible. In 2022, filings averaged 330 per quarter and 261 of those were mediation eligible. In 2023, filings averaged slightly less with 325 filings per quarter and 277 filings were mediation eligible. In 2024, a total of 1,318 foreclosure actions were filed and 1,124 were mediation eligible. Filings averaged 330 per quarter with 280 mediation eligible. The number of eligible foreclosure filings has remained consistent throughout the last three years.<sup>3</sup> The below chart demonstrates the number of mediation-eligible filings per quarter from the First Quarter of 2014 through the Fourth Quarter of 2024.



<sup>2</sup> Historically, the percentage of mediation-eligible foreclosure actions in Superior Court have been as follows: Q2-Q3 2012- 26.2%; 2013- 64.03%; 2014- 68.23%; 2015-66.47%; 2016-63.22%; 2017-66.31%; 2018-69.06%; 2019-70.48%; Q1 2020- 71.20%, Q3 2020-71.20%, Q4 2020-71.15%, Q1 2021-71.12%, Q2 2021-71.07%, Q3 2021-71.03%, Q4 2021-71.01%, Q1- Q2 2022-71.13%, Q 3 2022-71.29%, Q4-2022-Q1-2023 71.7%,Q2-2023-Q4-2023 72.35%

The following chart demonstrates the number of mediation eligible foreclosures filed in each county during 2024. New Castle County continued to have the highest number of filings while Kent was slightly higher than Sussex.



### **3. Mediation Conferences and Participation Data**

Through the Mediation Program, the Department of Justice administers and oversees conciliation-style mediations for each case in which the homeowner has been served with process. Prior to the Covid Pandemic, the Program accommodated up to 120 cases per conference day in each county, with each lender's counsel scheduled for up to 50 conferences per day. With the resumption of mediations virtually, the Program can accommodate up to 64 conferences per day with each lender's counsel scheduled for up to 16 conferences per day. Conferences are scheduled each half-hour, and the conferences are spaced by counsel and housing counselor. This has eliminated the occasionally lengthy waits for some homeowners. Program Staff ("staff") can accommodate homeowners work and childcare schedules and homeowners are able to participate on lunch breaks and do not need to travel to conferences. Staff are also able to accommodate homeowners' attendance on another county's mediation day since all are virtual. The Program continues to hold four mediation days per month. Initial conferences are scheduled within 45 to 75 days of completion of service.

New Castle County averaged 41 mediations per conference day, Kent County averaged 32 mediations and Sussex County averaged 26 mediations per conference day in 2024. The Program Administrator expects to continue to hold mediation conferences virtually for the foreseeable future. The

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scheduling letter sent to homeowners includes tips for using Zoom and the staff has guided numerous homeowners through the process. Those homeowners who do not have access to a computer or smart phone are able to call in to the conference. Housing counselors may also participate in conferences with the homeowner on speaker phone while the housing counselor connects virtually. Many homeowners have expressed a preference for the virtual format as it eliminates travel time and taking time off from work. The virtual conferences are also private, and homeowners are not discussing their financial details in a large room with multiple other homeowners.

Program Staff filed an average of 77 Mediation Scheduling Notices and 17 Certificates of Participation per month in 2024. Overall, the Mediation Program has a **54.95% homeowner participation rate**. Of those Delaware homeowners who elect to actively participate in the Mediation Program, **66.30%** have either achieved a non-foreclosure resolution or remain in mediation and continue loss mitigation negotiations with their lender/servicer.<sup>4</sup> The remaining **33.70%** of homeowners have resumed court proceedings due to unemployment, severe delinquency, failure to participate in the Mediation Program, failure to reach an agreement on the terms of the loss mitigation offered by the lender/servicer, and/or a failure to work with a housing counselor.<sup>5</sup> The high success rate of the Mediation Program thus far owes a great deal to the support of knowledgeable HUD-approved housing counselors.

The participation data provides a snapshot of all the cases in the Mediation Program through December 31, 2024. The program participation overview chart captures those matters that were dismissed or cancelled prior to mediation and those that were dismissed or cancelled following the scheduling of mediation. Those cases that achieve a non-foreclosure resolution and those that remain in mediation are separated. Additionally, the chart details those cases which have been dismissed outside of mediation.<sup>6</sup>

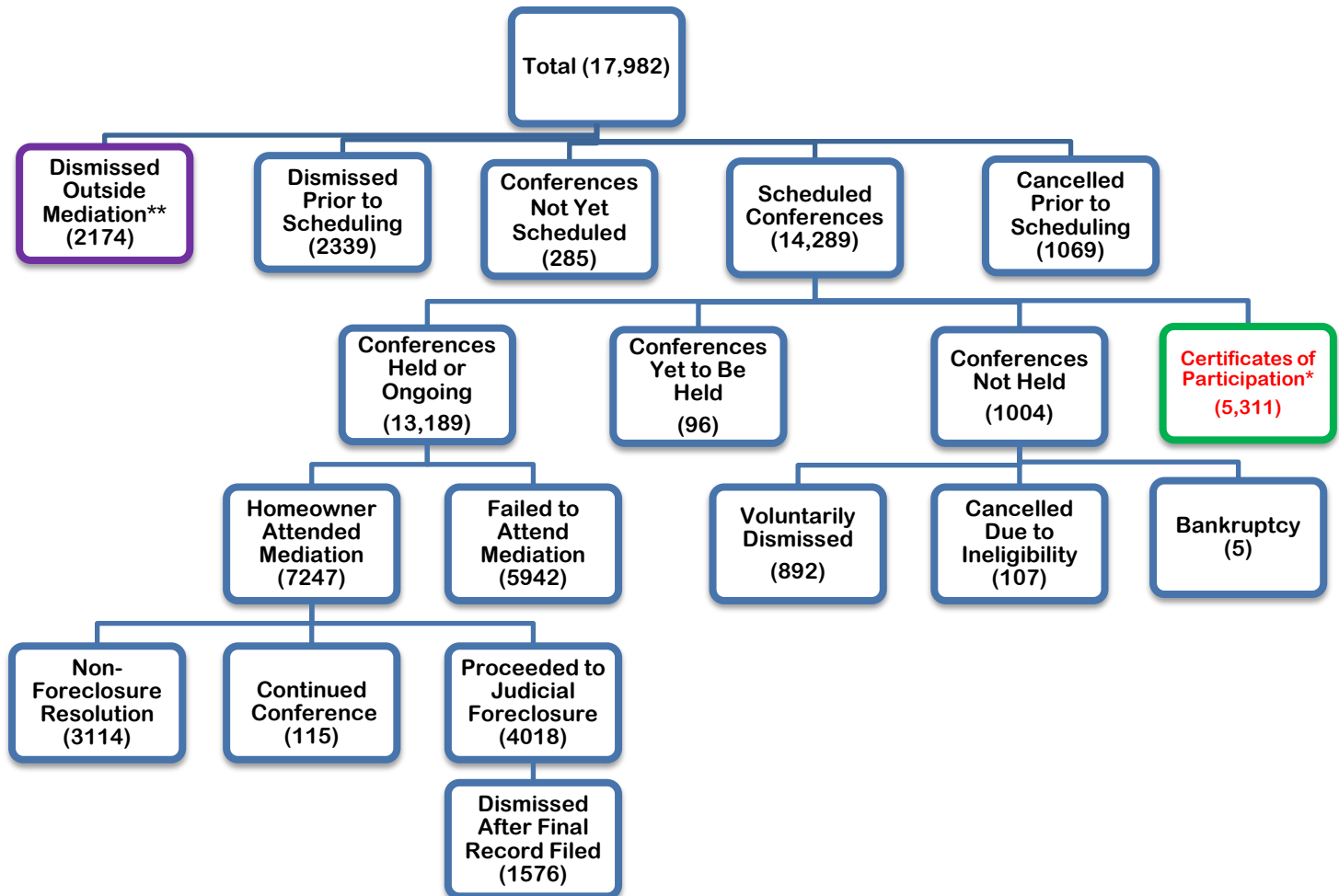
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<sup>4</sup> “Successful mediation” is defined as any conference where the homeowner achieves a non-foreclosure resolution to avoid a Sheriff’s Sale of the property, or where the parties remain engaged in negotiations and the homeowner is granted a subsequent mediation conference date.

<sup>5</sup> For those 5,942 homeowners who failed to participate in the Mediation Program, our data indicate that they often have vacated their homes prior to the foreclosure case being filed in the Superior Court. Therefore, they may not receive the information about the Mediation Program which is sent by the Department of Justice. Further, they would not be eligible for mediation if they no longer occupy the home.

<sup>6</sup> Cases dismissed outside of mediation are any cases dismissed without a mediation conference being held, including those matters where a defendant failed to appear for mediation or the matter was cancelled as non-mediation eligible, and the case was subsequently dismissed.

### Mortgage Mediation Program: Cumulative Participation as of December 31, 2024



The Program Administrator also examined the participation rate for the Program for those matters filed since July 2020. The current participation rate for these matters is **56.22%** and the success rate for those who participate is **71.95%**. These numbers demonstrate that the participation rate for virtual mediations remains as high as the previous rate for in-person mediations.<sup>7</sup> Beginning with the First Quarter of 2025, the Program Administrator will provide participation data for the previous five years. Limiting the amount of data review to this time period will allow the Program to provide the most current information regarding homeowner participation and reduce the burden of reviewing thousands of earlier cases.

<sup>7</sup> A detailed overview of the July 2020 through December 31, 2024 participation numbers is available on the Department of Justice's website. <http://attorneygeneral.delaware.gov/fraud/cpu/automediation.shtml>.

#### **4. Delinquency Rates and Foreclosure Filings<sup>8</sup>**

Delaware's delinquency rates and percentage of loans in foreclosure continue to track slightly higher than the national average. For the Fourth Quarter of 2024, the total percentage of loans past due for Delaware was 4.65% and the national rate was 4.24%.<sup>9</sup> This is an increase from 1<sup>st</sup> Quarter 2024 rate of 4.05% and a national rate of 3.63% in that quarter.<sup>10</sup>

For the Fourth Quarter of 2024, Delaware had a seriously delinquent rate of 1.77%, a foreclosure inventory of 0.53% and total foreclosure starts of 0.18%.<sup>11</sup> For comparison, the national seriously delinquent rate was 1.68%.<sup>12</sup> The national non-seasonally adjusted foreclosure inventory was 0.45% and the national non-seasonally adjusted foreclosure starts was 0.15%.<sup>13</sup>

Delaware continued to also rank relatively high among other states in some delinquency measures (17<sup>th</sup> in percent of loans in foreclosure, 15<sup>th</sup> in foreclosure starts, and 18<sup>th</sup> in 90+ days delinquent).<sup>14</sup> In the Fourth Quarter of 2019, the total number of loans past due in Delaware was 4.77%.<sup>15</sup> Delaware's foreclosure rates for 2024 continue to track lower than the pre-pandemic 2019 levels.

#### **5. Going Forward**

Delaware homeowners continue to face financial hardships and the need for education and assistance remains high. The Mediation Program is ready and able to address the need for education and non-foreclosure resolutions. As it has for the last thirteen years, the Mediation Program will help avoid foreclosure for homeowners who work with a HUD-approved housing counselor and actively participate in their mediation conferences. The Mediation Program continues to serve as a resource to explain the foreclosure process, provide education and resources to homeowners who are facing the painful threat of losing their home.

The Department of Justice's Office of Foreclosure Prevention and Financial Education (the "OFP") has been an important complement to the Mediation Program through its community outreach and education seminars, servicer events, and the day-to-day assistance provided to homeowners via the foreclosure hotline. OFP has continued to reach out to homeowners and provide resources and information to assist them in navigating the foreclosure process and avoiding unnecessary sheriff's sales.

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<sup>8</sup> The Program Administrator used First Quarter 2024 Mortgage Bankers Association report for the below section.

<sup>9</sup> Mortgage Bankers Association, National Delinquency Survey Report, Q4 2024 (December 31, 2024) at 4.

<sup>10</sup> Mortgage Bankers Association, National Delinquency Survey Report, Q1 2024 (March 31, 2024) at 4.

<sup>11</sup> Mortgage Bankers Association, National Delinquency Survey Report, Q4 2024 (December 31, 2024) at 4.

<sup>12</sup> Id.

<sup>13</sup> Id.

<sup>14</sup> Mortgage Bankers Association, National Delinquency Survey Briefing Materials, Q4 2024 December 31, 2024) at 17-21.

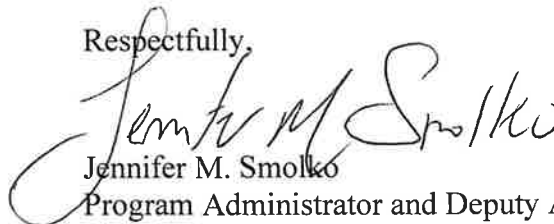
<sup>15</sup> Mortgage Bankers Association, National Delinquency Survey Report, Q4 2019 (February 11, 2020) at 4.

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The OFP continues to monitor the media for forbearances, loan modifications and other alternatives to foreclosure that are being made available to Delawareans to ensure that the department is ready to handle any questions or complaints that may arise. The OFP's work has served many Delaware homeowners who face this difficult life event and, in many cases, helped to prevent the filing of foreclosure actions against these homeowners.

The Mediation Program and OFP are ready to assist all affected homeowners navigating the foreclosure process. The passage of Senate Bill 245 made both the Office of Foreclosure Prevention and the Automatic Foreclosure Mediation Program permanent programs within the Department of Justice. Both OFP and the Mediation Program now have full time administrative specialists. Daily, the Mediation Program handles panicked phone calls from homeowners who have just received a foreclosure notice from the sheriff. The staff explain the foreclosure and mediation process and encourage homeowners to reach out to a housing counselor. They reassure homeowners that the sheriff will not show up without notice to remove them from their home. This small part of their daily work has eased the anxiety for thousands of homeowners. The Mediation program staff help ensure borrowers can have a meaningful conversation with their lender/servicer before the judicial foreclosure proceeds and also help prevent unnecessary foreclosures. Increasing participation and success rates of the Mediation Program will save many more Delaware homeowners from unnecessary foreclosures, increase the stability of our neighborhoods, and improve the housing market in Delaware.

Respectfully,

A handwritten signature in black ink, appearing to read "Jennifer M. Smolko", is written over the typed name.

Jennifer M. Smolko  
Program Administrator and Deputy Attorney General  
Fraud and Consumer Protection Division  
Delaware Department of Justice

cc: Hon. Matthew S. Meyer  
Hon. Christopher A. Coons  
Hon. Lisa Blunt Rochester  
Hon. Sarah McBride  
Sec. Matthew Heckles  
Dir. Owen Lefkon