June 26, 2026

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 – Third and Fourth Quarter 2025

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

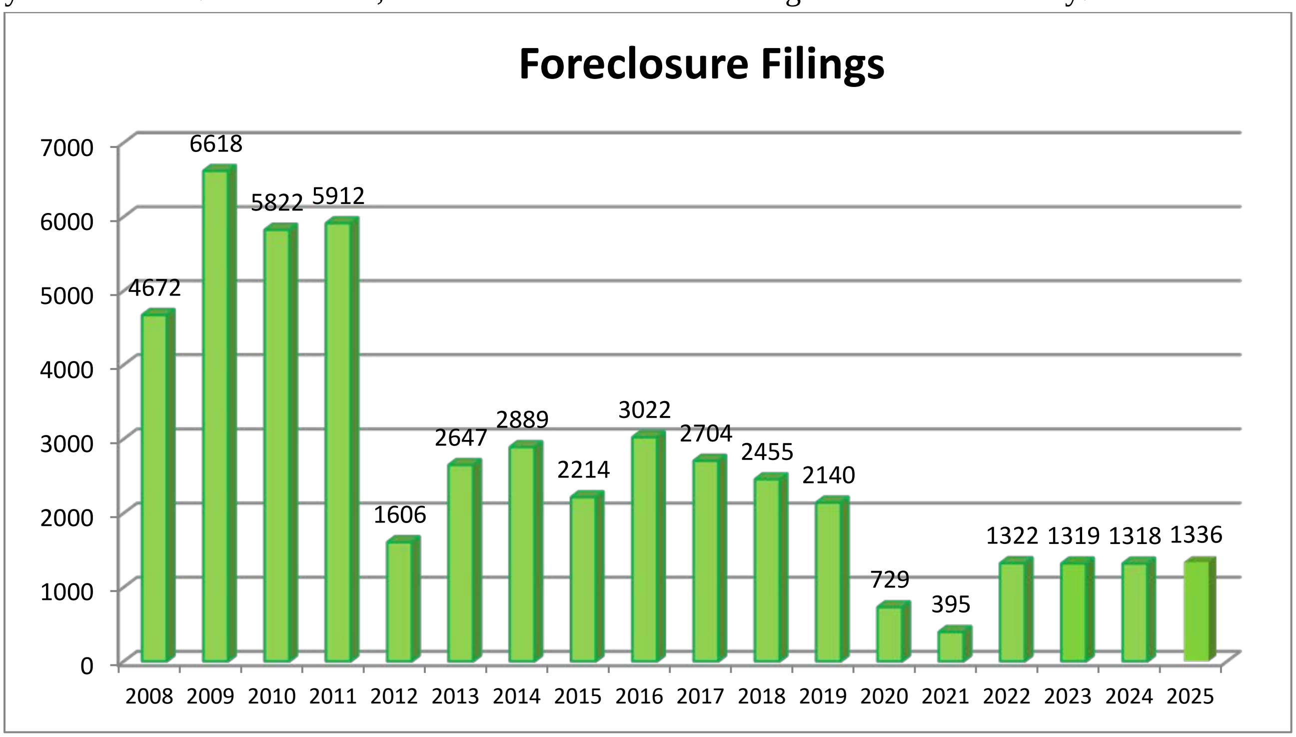
As the delegee of the Superior Court under 10 *Del. C.* § 5062C(t), the Department of Justice is required to periodically report relevant statistics about the proceedings of the Mediation Program. This letter serves as the report for the Third and Fourth Quarter of 2025.

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 fourteen 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 the second two quarters of 2025, 620 eligible foreclosure actions were filed with the Superior Court. In the same period in 2024, 537 eligible foreclosure actions were filed. The Program Administrator and staff filed 433 Mediation Scheduling Notices and 90 Certificates of Participation. During the second half of 2025, the Mediation Program scheduled 871 mediation conferences, averaging 145 conferences per month. Cumulatively from January 2012 through December 31, 2025, 19,143 mediation eligible foreclosure actions were filed. From July 2020 through December 2025, 4,762 mediation eligible foreclosure actions were filed with a **57.00% homeowner participation rate**. Of those Delaware homeowners who elect to actively participate in the Mediation Program, **71.90%** either achieved a non-foreclosure resolution or remain in mediation and continue loss mitigation negotiations with their lender/servicer.[1] 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 filed statewide in the calendar years indicated.[2] Since 2022, the number of foreclosure filings has remained steady.



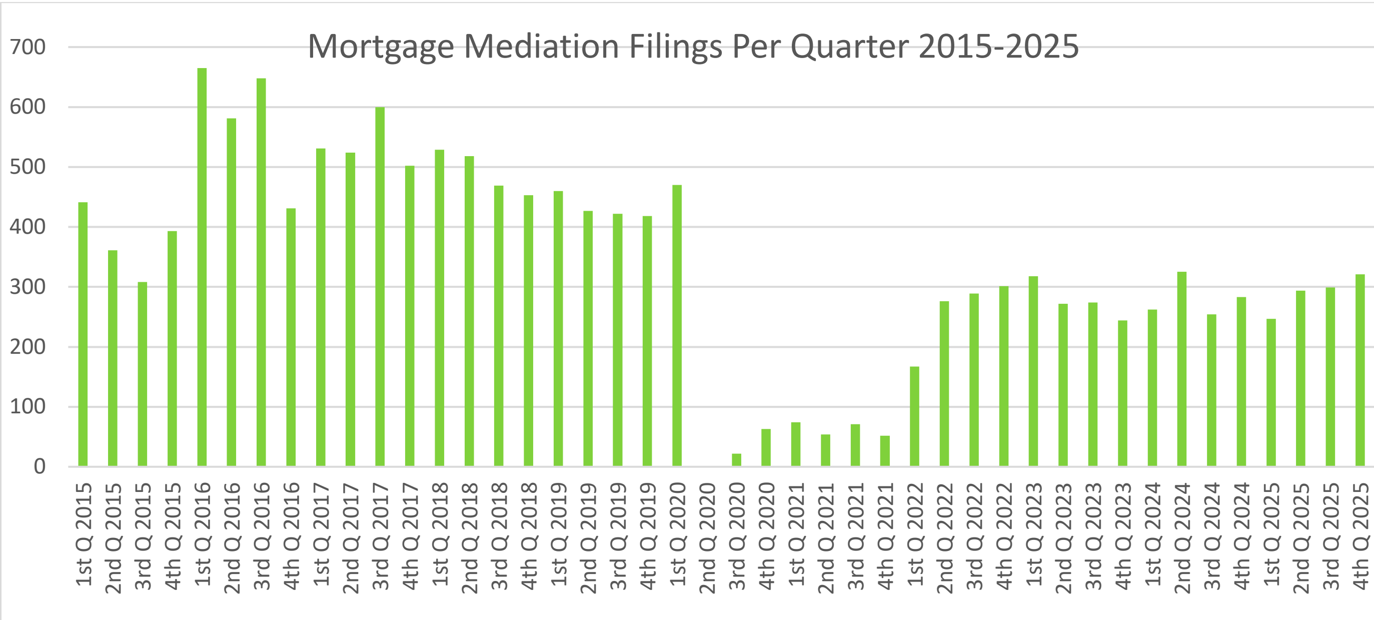
[1] The overall participation rate for those mediation eligible matters filed since 2012 is **55.16%.** Of those who participate, **66.88%** achieve a non-foreclosure resolution or remain in the mediation program.
[2] This data is compiled through December 31, 2025. Additional information by county and 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

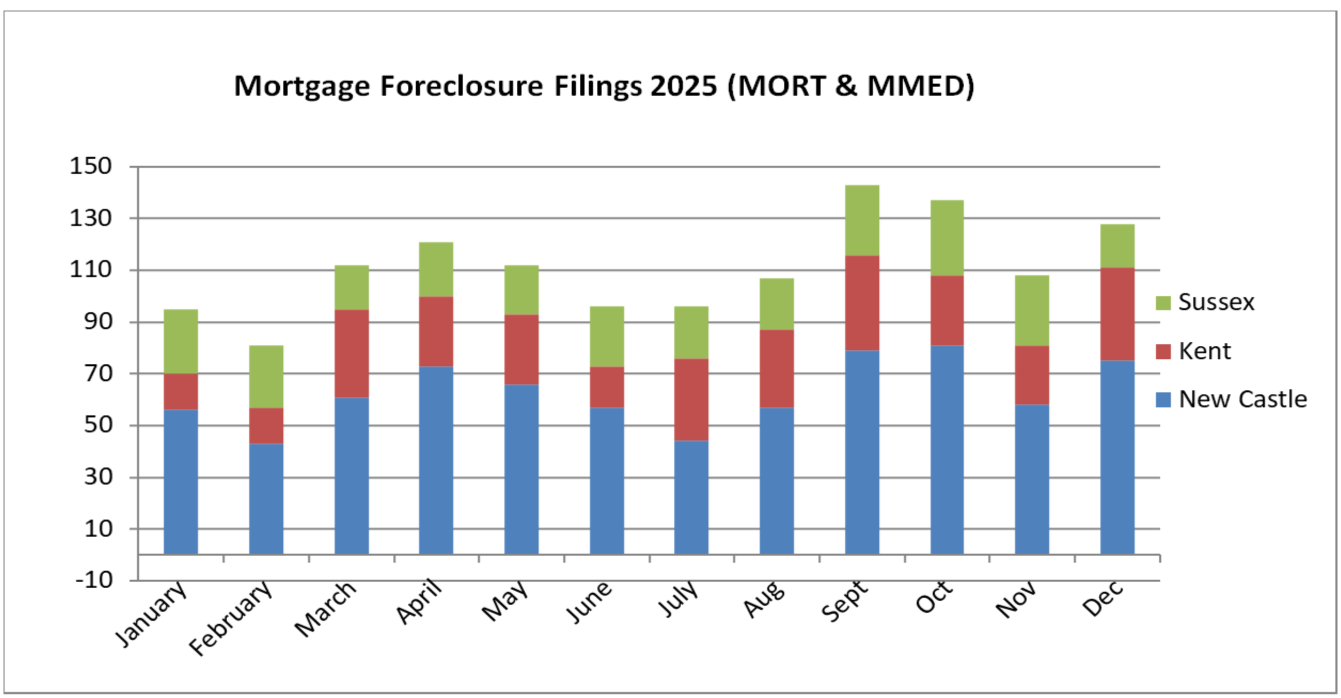
Between January 19, 2012 and December 31, 2025 there were a total of 25,938 foreclosure filings statewide with 19,143 of those cases, or 73.80% eligible for the Mediation Program.[3] In 2019 and the First Quarter of 2020, there were an average of 439 filings per quarter. Foreclosure filings halted in March 2020 due to the Covid Pandemic. Once foreclosure filings resumed in July 2020, there was 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 filings per quarter increased slightly in 2025. In 2025, 1,336 foreclosure actions were filed and 1161 of those filings were mediation eligible. Filings averaged 334 per quarter with 290 eligible for mediation. The chart on the following page demonstrates the number of mediation-eligible filings per quarter from the First Quarter of 2014 through the Fourth Quarter of 2025.

[3] 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%,Q1-4 2024 73.09%, Q1-2 2025 73.45%.



The chart below demonstrates the number of foreclosures filed in each county in 2025. New Castle County continued to have the highest number of filings while Kent was slightly higher than Sussex. This chart includes both mediation eligible and non-mediation eligible filings.



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. Additionally, we can keep participants in separate breakout rooms in the event of contentious divorce or estate matters or where one party has a Protection from Abuse order in place. 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 43 mediations per conference day; Kent County averaged 37 mediations and Sussex County averaged 22 mediations per conference day in the second two quarters of 2025. The Program Administrator expects to continue to hold mediation conferences virtually for the foreseeable future. The scheduling letter sent to homeowners includes tips for using Zoom and staff has guided numerous homeowners in how to connect through zoom or call into the conference. 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.

Staff filed an average of 72 Mediation Scheduling Notices and 15 Certificates of Participation per month in July through December 2025. For those matters filed since July of 2020, the Mediation Program has a **57.00% homeowner participation rate**. Of those Delaware homeowners who elect to actively participate in the Mediation Program, **71.90%** have either achieved a non-foreclosure resolution or remain in mediation and continue loss mitigation negotiations with their lender/servicer.[4] The remaining **28.10%** 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

[4] "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.

offered by the lender/servicer, and/or a failure to work with a housing counselor.[5] 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 from July of 2020 through December 2025 and from January of 2012 through December 2025 is enclosed as an addendum to this letter. These charts provide a snapshot of all the cases in the Mediation Program during those time periods. 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.[6]

4. <u>Delinquency Rates and Foreclosure Filings</u>

In the Fourth Quarter of 2025, delinquency rates increased nationally to a seasonally adjusted rate of 4.26%.[7] This was an increase from 3.99% in the Third Quarter of 2025 and the Second Quarter rate of 3.93%. ""Mortgage delinquencies increased across all three major loan types- Conventional, FHA, and VA in the last three months of 2025" stated Marina Walsh, MBA's Vice President of Industry Analysis."[8] Walsh attributed the changes in the Fourth Quarter numbers to expiration of FHA relief options instituted during the pandemic and changes in the labor market.[9]

Delaware's delinquency rates and percentage of loans in foreclosure continue to track slightly higher than the national average. For the Fourth Quarter of 2025, the total percentage of loans past due for Delaware was 5.40%.[10] This is an increase from 2nd Quarter 2025 rate of 4.43% and the 3rd Quarter of 2025 which was 4.62%. [11]

For the Fourth Quarter of 2025, Delaware had a seriously delinquent rate of 2.14%, a foreclosure inventory of 0.63%, and total foreclosure starts of 0.24%.[12] For comparison, the national seriously

[5] For those 1,235 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.
[6] 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.
[7] Mortgage Bankers Association, News Release, Q4 2025 (February 12, 2026) at 1.
[8] Id.
[9] Id.
[10] Mortgage Bankers Association, National Delinquency Survey Report, Q4 2025 (February 12, 2026) at 4.
[11] Id.
[12] Id.

delinquent rate was 1.85%[13] The national non-seasonally adjusted foreclosure inventory was 0.53% and the national non-seasonally adjusted foreclosure starts were 0.20%.[14]

Delaware rankings compared to other states have increased this quarter for foreclosure starts to 15th (a change from 21st in the Second Quarter of 2025). Delaware ranks 17th in percent of loans in foreclosure, up from 18th in the Second Quarter of 2025. For 90 day + delinquencies, Delaware is 13th in the country, an increase from 18th in the Second Quarter of 2025.[15] In the Fourth Quarter of 2019, the total percent of loans past due in Delaware was 4.77%.[16] Delaware's percent of loans past due for the Fourth Quarter of 2025 was 5.40%, above the pre-pandemic rate.[17] For the First Quarter of 2026, the total percent of loans past due decreased to 4.94%[18]

5. Going Forward

Delaware homeowners continue to face financial hardships and the need for education and assistance remains high. As it has for the last fourteen years, the Mediation Program helps homeowners avoid foreclosure by connecting them with a HUD-approved housing counselor and encouraging them to actively participate in mediation. The Mediation Program continues to serve as a resource to explain the foreclosure process and 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 sales. 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.

---

[13] Id.
[14] Id.
[15] Mortgage Bankers Association, National Delinquency Survey Briefing Materials, Q4 2025 (February 12, 2026) at 17-21.
[16] Mortgage Bankers Association, National Delinquency Survey Report, Q4 2019 (February 11, 2020) at 4.
[17] Mortgage Bankers Association, National Delinquency Survey Report, Q4 2026 (February 12, 2026) at 4.
[18] Mortgage Bankers Association, National Delinquency Survey Report, Q1 2026 (May 14, 2026) at 4.

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 or a notice of intent to foreclose from their lender. 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 our daily work has eased the anxiety for thousands of homeowners. The Mediation Program helps ensure borrowers can have a meaningful conversation with their lender/servicer before the judicial foreclosure proceeds and also helps 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,

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
Hon. Kathy Jennings
Dir. Owen Lefkon

Enc. Participation Data 2020-2025 and Participation Data 2012-2025