

Monthly Metropolitan Foreclosure Report, October 2011

Colorado Department of Local Affairs – Division of Housing



Introduction

The Division of Housing now releases monthly data on foreclosure filings and foreclosure sales in metropolitan counties in Colorado. These reports are a supplement to the Division's quarterly statewide foreclosure reports available at the Division's web site: <http://dola.colorado.gov/cdh/>

Foreclosure filings represent the point at which the legal foreclosure process begins. The foreclosure sale represents the point at which the foreclosure process is completed. Since not all filed foreclosures proceed all the way through the foreclosure process, the total number of completed foreclosures in each time period is usually smaller than the total number.

These numbers represent estimates since each filing does not necessarily represent a unique property, and foreclosure totals also include a small number (less than 3% of total) of foreclosed commercial property and vacant land.

The foreclosure sales number approximates the number of unique properties that have been foreclosed with ownership reverting to the lender or passing to a third party.

Foreclosure filings are a useful indicator of future foreclosure sales activity and of recent mortgage delinquency activity.

Findings

Both foreclosure filings and sales at auction were down in October 2011 when compared to October 2010.

Comparing year-over-year from 2010 to 2011, foreclosure filings in October decreased 23.2 percent with totals falling from 3,059 to 2,350.

October 2011 foreclosure sales (completed foreclosures) were down compared to October 2010 with a decrease of 28.3 percent from 1,308 to 938.

Filings rose to the second-highest filings total reported in 9 months, but were down 3.3 percent from September's total. Foreclosure sales at auction fell to the lowest total recorded since April 2008.

In year-to-date comparisons, comparing the first ten months of 2010 with the same period this year, foreclosure filings were down 29.3 percent and sales at auction were down 22.6 percent.

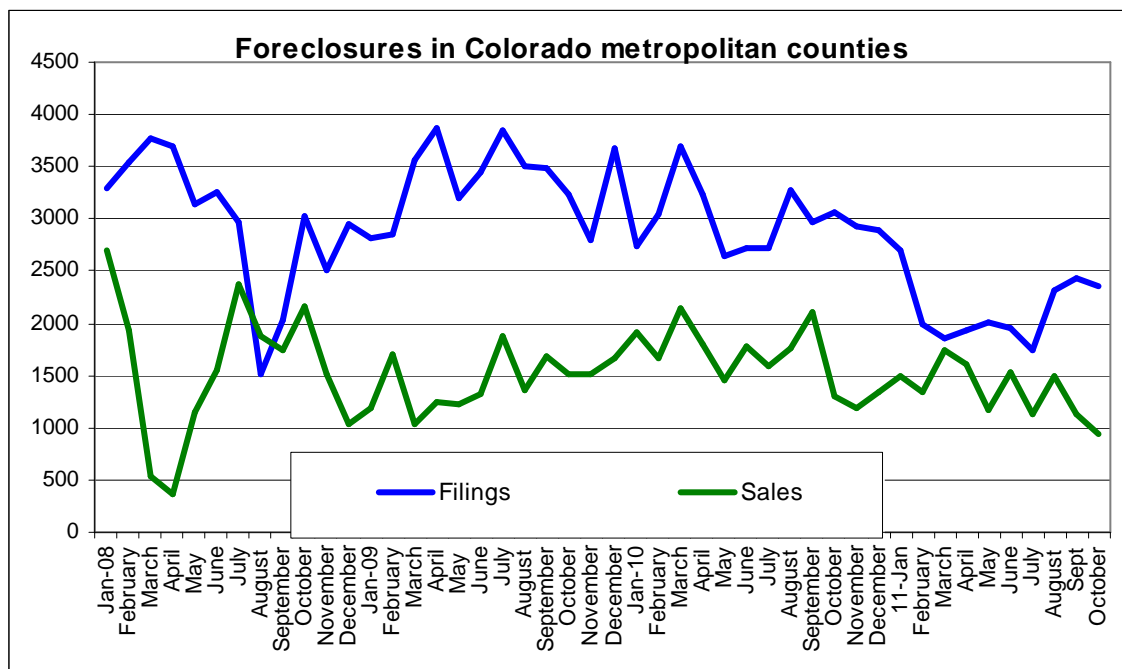
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2008- October 2011

Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

Note that March and April 2008 totals for foreclosure sales were extremely low. This was due to a new foreclosure process time line taking effect on January 1 of 2008. The new time line was structured in such a way that few foreclosures could proceed to sale during March and April 2008. During the first half of 2009, Fannie Mae and Freddie Mac instituted moratoria on finishing pending foreclosures. This temporarily pushed down totals in completed foreclosures during that period.

During October 2011, sales at auction were at the lowest level they've been since the artificially low totals of March and April 2008.

Graph 1:



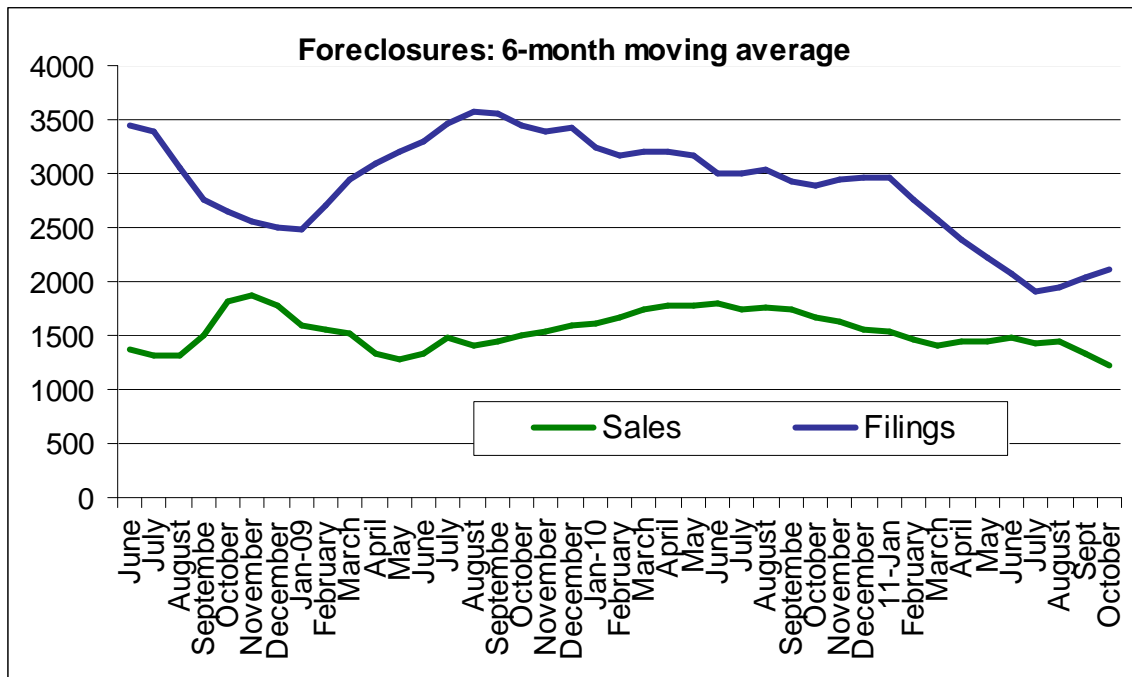
Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-October 2011.

An analysis of a six-month moving average for both filings and sales at auction:

Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

Foreclosure filings activity declined significantly between January 2011 and July 2011. Foreclosure sales activity has generally been flat since January 2011, but the slight downward trend began to accelerate during September and October 2011.

Graph 2:



Comparison tables:

Month-over-month comparisons (September 2011 to October 2011):

Table 1: Foreclosure filings

County	September	October	Pct Change from previous month
Adams	352	380	8.0
Arapahoe	356	346	-2.8
Boulder	94	83	-11.7
Broomfield	20	18	-10.0
Denver	313	326	4.2
Douglas	178	153	-14.0
El Paso	300	338	12.7
Jefferson	321	241	-24.9
Larimer	147	104	-29.3
Mesa	115	77	-33.0
Pueblo	85	121	42.4
Weld	148	163	10.1
	2429	2350	-3.3

Table 2: Foreclosure sales

County	September	October	Pct Change from previous month
Adams	128	69	-46.1
Arapahoe	167	182	9.0
Boulder	31	29	-6.5
Broomfield	7	8	14.3
Denver	181	115	-36.5
Douglas	77	65	-15.6
El Paso	143	135	-5.6
Jefferson	93	107	15.1
Larimer	60	68	13.3
Mesa	75	39	-48.0
Pueblo	56	63	12.5
Weld	106	58	-45.3
	1124	938	-16.5

Year-over-year comparisons of October foreclosure activity:

Table 3: Foreclosure filings

County	October	October	Year-over-year percent change
Adams	347	380	9.5
Arapahoe	462	346	-25.1
Boulder	122	83	-32.0
Broomfield	26	18	-30.8
Denver	500	326	-34.8
Douglas	191	153	-19.9
El Paso	389	338	-13.1
Jefferson	305	241	-21.0
Larimer	172	104	-39.5
Mesa	179	77	-57.0
Pueblo	124	121	-2.4
Weld	242	163	-32.6
Total	3059	2350	-23.2

Table 4: Foreclosure sales

County	October	October	Year-over-year percent change
Adams	176	69	-60.8
Arapahoe	219	182	-16.9
Boulder	36	29	-19.4
Broomfield	6	8	33.3
Denver	197	115	-41.6
Douglas	90	65	-27.8
El Paso	160	135	-15.6
Jefferson	144	107	-25.7
Larimer	54	68	25.9
Mesa	53	39	-26.4
Pueblo	47	63	34.0
Weld	126	58	-54.0
	1308	938	-28.3

Year-to-date (January-Oct) comparisons:

Table 5: Foreclosure filings

	Oct YTD 2010	Oct YTD 2011	Percent Change from 2010
Adams	4140	2926	-29.3
Arapahoe	4608	3291	-28.6
Boulder	1134	815	-28.1
Broomfield	256	190	-25.8
Denver	4325	2850	-34.1
Douglas	2072	1426	-31.2
El Paso	3966	2953	-25.5
Jefferson	3151	2219	-29.6
Larimer	1508	1116	-26.0
Mesa	1397	900	-35.6
Pueblo	1169	997	-14.7
Weld	2324	1577	-32.1
Total	30050	21260	-29.3

Table 6: Foreclosure sales

	Oct YTD 2010	Oct YTD 2011	Percent Change from 2010
Adams	2522	1733	-31.3
Arapahoe	2780	2164	-22.2
Boulder	541	441	-18.5
Broomfield	130	75	-42.3
Denver	2533	1944	-23.3
Douglas	1123	891	-20.7
El Paso	2276	1788	-21.4
Jefferson	1766	1383	-21.7
Larimer	782	658	-15.9
Mesa	853	735	-13.8
Pueblo	724	650	-10.2
Weld	1503	1102	-26.7
Total	17533	13564	-22.6

Foreclosure sales (completed foreclosure) rates in each county:

October 2011 rates, on the right, are compared with 2010 rates on the left.

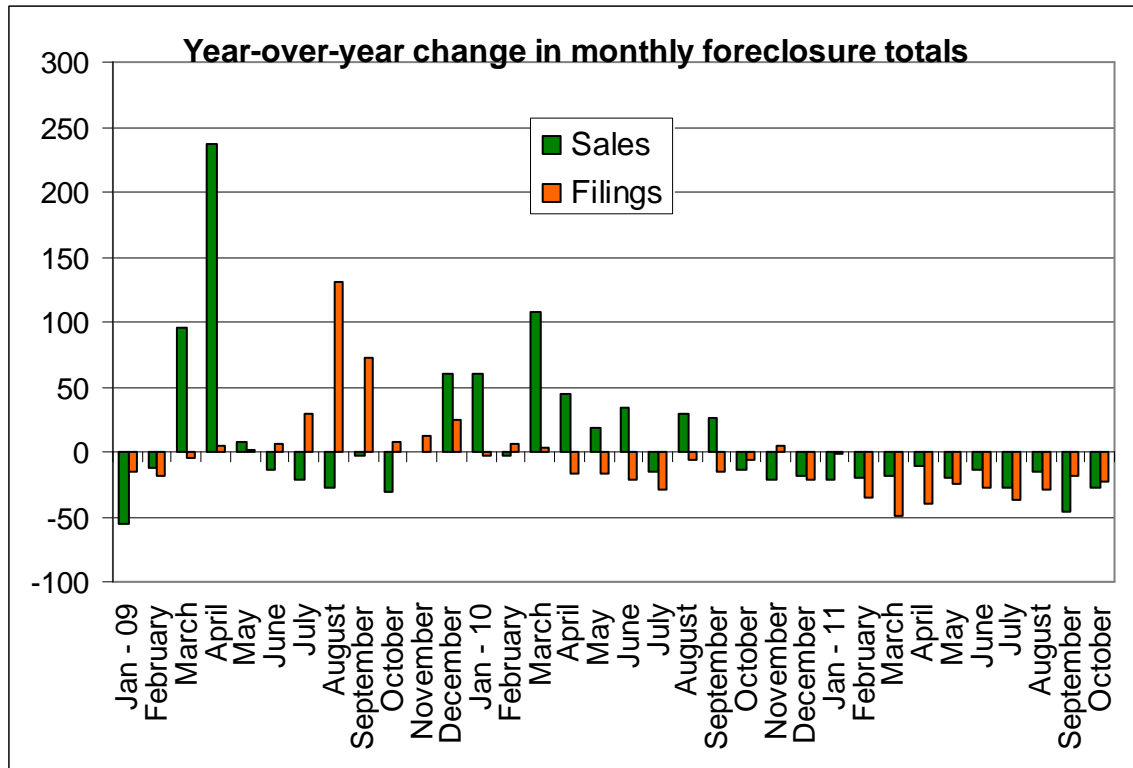
Table 7:

County	October	No. of households per completed foreclosure, 2010	October	No. of households per completed foreclosure, 2011
Adams	176	848	69	2,162
Arapahoe	219	984	182	1,183
Boulder	36	3,213	29	3,988
Broomfield	6	3,225	8	2,419
Denver	197	1,307	115	2,239
Douglas	90	1,063	65	1,472
El Paso	160	1,364	135	1,617
Jefferson	144	1,457	107	1,961
Larimer	54	2,067	68	1,641
Mesa	53	1,046	39	1,422
Pueblo	47	1,273	63	950
Weld	126	679	58	1,476
Metro total	1308	1,218	938	1,699

The highest foreclosure rate was found in Pueblo County, and the lowest rate was found in Boulder County.

Appendix: Additional Analysis

Graph 3:



October 2011 marks the eleventh month in a row during which both foreclosure filings and sales at auctions were down when compared to the same month the previous year.

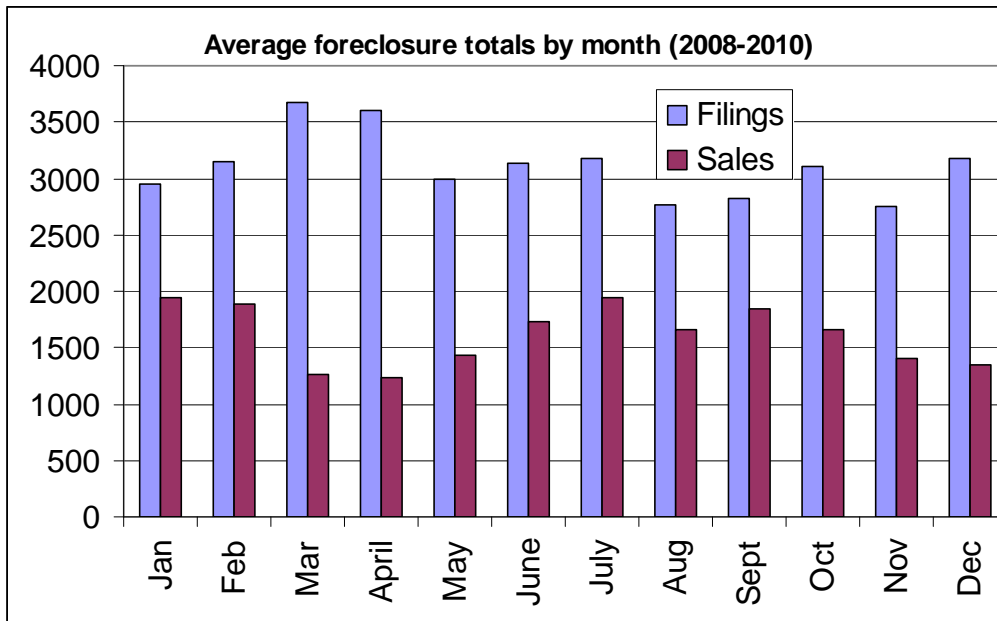
Graph 4:

Seasonal Factors:

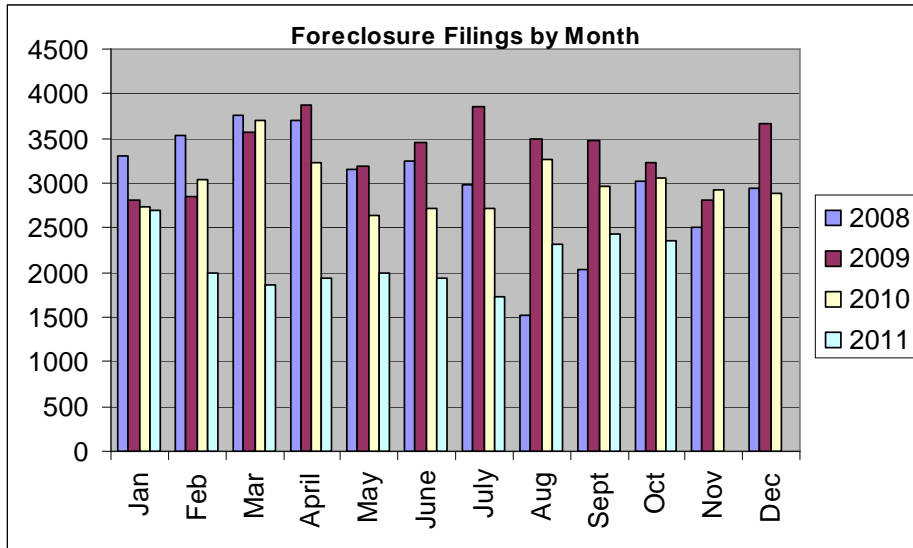
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an increased number of foreclosure filings three to four months later.

Although we only have three years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April.

Foreclosure sales, on the other hand, tend to peak in both January-February and during summer and early autumn. The increases found during January and February are likely due to increases in the speed with which foreclosures are processed following the holiday season. Traditionally, some loan servicers have held off pushing loans to the final stage of foreclosure until after the holidays. The increases in sales found during the summer and early autumn months likely reflect the increased number of filings that occur during March and April. As these filings move through the system, they show up as sales at auction several months later.

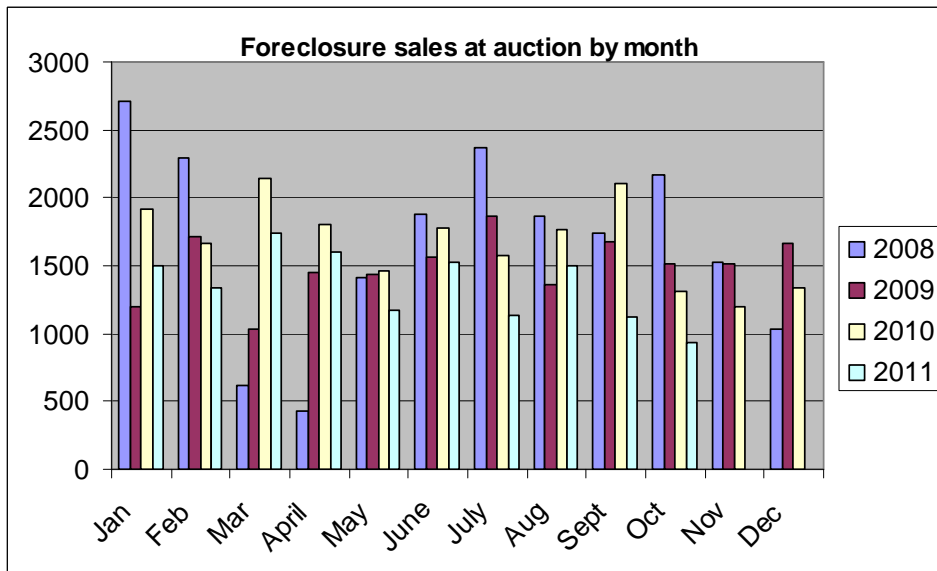


Graph 5: Foreclosure filings by month and year



In each month from January through October of this year, there have been fewer new foreclosure filings than during the same months during the years of 2008, 2009 and 2010, with the exceptions of August and September 2008. Foreclosure filings activity is clearly well below activity reported in recent years. October's filings total was the lowest October total in at least four years.

Graph 6: Foreclosure sales at auction by month and year



Foreclosure filings totals have moved downward in recent months also, but to a smaller degree. During October 2011, however, the auction sales total fell below 1,000 for the first time since April 2008. October's auction sales total was the lowest October total recorded in at least four years, and is the lowest overall total in 42 months.