



## **Colorado Division of Housing 1<sup>st</sup> Quarter 2008 Foreclosure Report**

**The Colorado Division of Housing is a division of the Colorado Department of Local Affairs**

**May 15, 2008**

### **Summary and Methods**

In response to recommendations from the Colorado Blue Ribbon Panel on Housing and the Colorado Foreclosure Prevention Task Force, the Colorado Division of Housing has compiled the attached information regarding foreclosures in Colorado.

These statistics have been collected to provide as accurate a view as possible of foreclosures in Colorado and to determine which regions of the state are most heavily impacted by foreclosures. The data is provided on a county-by-county basis and is based on foreclosure filings through the Public Trustee's office of each county. Data for each county is reported by the Public Trustee's office in each county.

This report seeks to provide two essential pieces of information:

**Foreclosure Filing Statistics:** Once a borrower is approximately three months late with payments, the Public Trustee will send the borrower a Notice of Election and Demand. At this point, the property is officially in foreclosure.

The public trustee filings provide an objective measure of how many foreclosure proceedings have been initiated in a given county. Such filings can be "cured" and "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. However, public trustee numbers are a reliable indicator of the number of homeowners in a county who have become seriously delinquent on home loans, and they provide insights into the overall health of the housing market within that county.

**Foreclosure Sale Statistics:** Approximately 120 days after the initial filing, the property may be sold at the public trustee auction to a third party or to the mortgage company. Once the foreclosure sale takes place, eviction proceedings will proceed during the next several weeks.

As listed below, the foreclosure filings number and the foreclosure auction sales number are two independent numbers. In other words, the properties that went to final sale during the current quarter are not the same properties which entered the foreclosure process the same quarter. For example, among properties that went to sale during a given quarter, a large portion of those foreclosures were filed at least four months earlier, meaning a foreclosure filing and foreclosure sale do not occur within the same quarter. The period between the foreclosure filing and the foreclosure sale at auction is legally at least 120 days, but in some cases, this period may actually last much longer.

**NB: During the first two quarters of 2008, statistics on foreclosure sales at auction will be difficult to interpret. This is due to new changes to the foreclosure process that have created a period of transition from the old foreclosure timeline to the new timeline. There will be a significant drop observed in foreclosure sales during March and April as the old system of foreclosures gives way to the new system. By the third quarter of 2008, patterns and trends in foreclosure sales will begin to establish themselves.**

**Any foreclosures filed after January 1, 2008 did not go to sale until at least April 30, 2008.**

### **Why are both numbers important?**

The foreclosure filings number provides a view of how many borrowers have become seriously delinquent on their loans. Foreclosure filings provide a good guide to foreclosure activity in a given county, and while a property may be withdrawn from the foreclosure process after a filing is made, the filings statistics nevertheless indicate where borrowers are delinquent and in default.

The foreclosure sale numbers generally indicate how many households have lost all equity in the home as the result of a home being sold to another party at auction, including the mortgage company, an investor, or others. Many households in the foreclosure process lose their homes through a variety of processes such as short sales and deed-in-lieu-of-foreclosure agreements. Losing the home through a foreclosure sale, however, is generally most damaging to the credit of the homeowner/borrower, and foreclosure does not allow for the homeowner/borrower to preserve any of the equity he or she might still have in that property.

### **Study Findings**

For the first quarter of 2008, Colorado public trustees reported 11,630 foreclosure filings, increasing 6 percent over the total number of foreclosure filings during the fourth quarter of 2007. Compared to the first quarter of 2007, the first quarter of 2008 had 23 percent more foreclosure filings.

**Table 1: Foreclosure Filings**

<b>Year</b>	<b>Foreclosure Filings</b>
2003	13,573
2004	16,801
2005	21,782
2006	28,435
2007	<b>39,915</b>
<b>2008 January-March</b>	<b>11,630</b>

### **Foreclosure Sales**

For the first quarter of 2008, Colorado public trustees reported 5,875 foreclosure sales, a 5 percent increase over the first quarter of 2007. Foreclosure sales decreased 7 percent from the fourth quarter 2007 sales total of 6,295.

**Table 2: Foreclosure Sales at Auction**

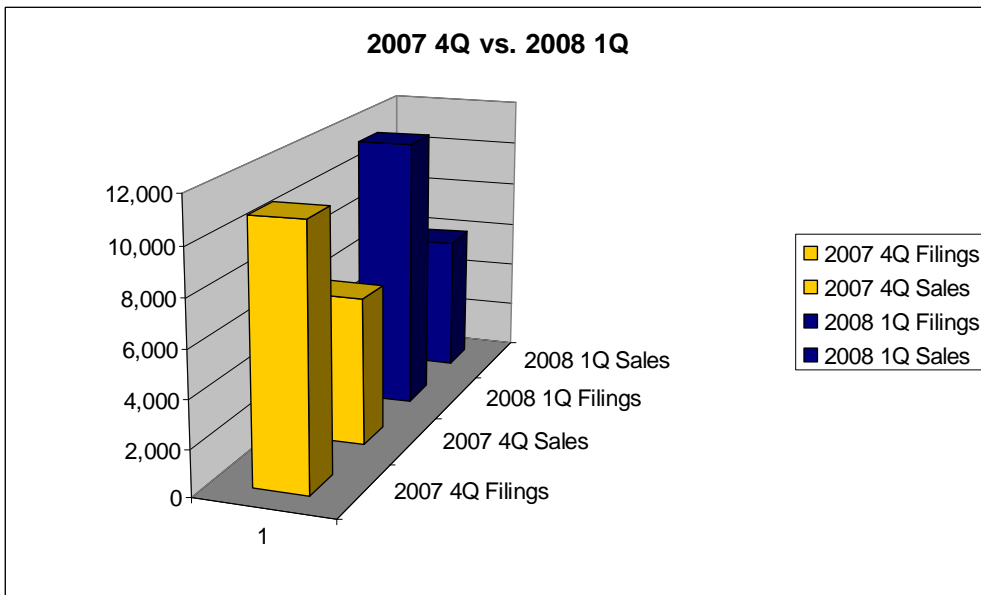
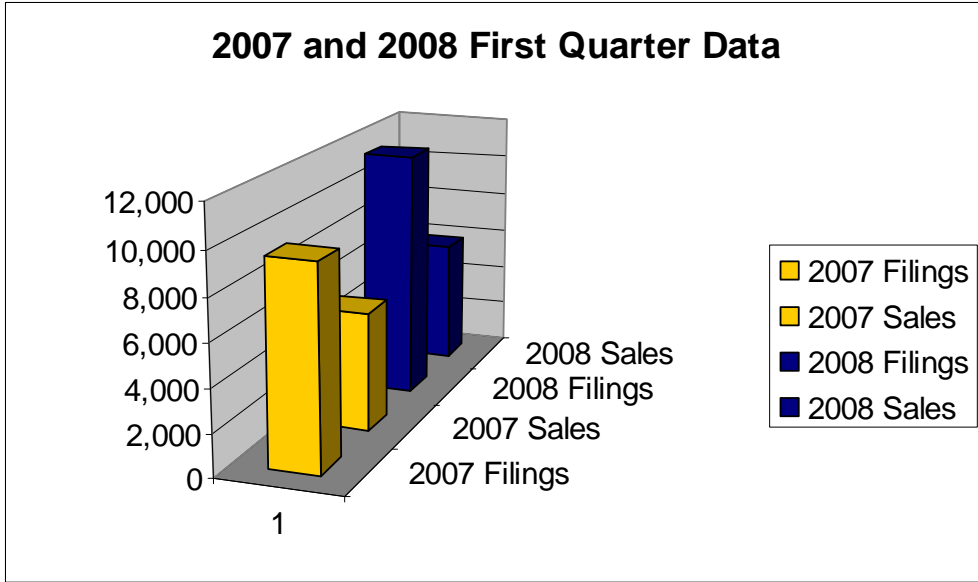
<b>Year</b>	<b>Foreclosure Sales</b>
2003	6,258
2004	7,782
2005	12,699
2006	17,451
2007	<b>25,320</b>
<b>2008 January-March</b>	<b>5,875</b>

### **Recent Trends**

The change in the foreclosure timeline produced a surge in foreclosure filings during the fourth quarter of 2007. At the time, there was question as to whether or not the levels seen during the fourth quarter would be sustained into the first quarter of this year. The level of filings during the fourth quarter did hold into the first quarter of 2008, and in fact increased 6 percent over the total number of filings seen at the end of 2007.

Compared to a year earlier, foreclosure filings during the first quarter of 2008 were up 23 percent.

During 2007, the largest quarters for foreclosure filings were the second quarter and the fourth quarter. However, there was not a notably large amount of growth in filings from the first quarter to the fourth quarter during 2007. The fourth quarter of 2007 had 16 percent more foreclosure filings than the first quarter of 2007.



Due to the change in the foreclosure process, foreclosure sales numbers dropped off significantly during March, leading to a muted number of foreclosure sales during the first quarter. There were 5,875 foreclosure sales during the first quarter, which was only 5 percent more sales than a year earlier. Foreclosure sales actually declined from the fourth quarter of 2007 to the first quarter of 2008, dropping off 7 percent.

## County Statistics

**Table 3: Year-over-year increases in foreclosure filings in metropolitan counties**

County	1 <sup>st</sup> Q 2007	1 <sup>st</sup> Q 2008	Year-over-year % increase
Adams	1456	1704	17 %
Arapahoe	1569	1851	18 %
Boulder	214	278	30 %
Broomfield	53	79	49 %
Denver	1940	2042	5 %
Douglas	373	665	78 %
El Paso	828	1216	47 %
Jefferson	839	1010	20 %
Larimer	382	487	27 %
Mesa	102	119	16 %
Pueblo	383	383	0 %
Weld	647	813	26 %

Overall, foreclosures in Colorado were 23 percent higher during the first quarter of this year than last year. Many metropolitan counties reported similar rates, such as Adams County and Arapahoe County where increases were 17 percent and 18 percent respectively.

Notably, some counties that traditionally have lower foreclosure rates than most other counties, such as Douglas and El Paso Counties, experienced sharp increases in foreclosure filings in this comparison.

**Table 4: Year-over-year increases in foreclosure sales at auction**

County	1 <sup>st</sup> Q 2007	1 <sup>st</sup> Q 2008	Year-over-year % increase
Adams	1000	935	-7 %
Arapahoe	969	970	.1 %
Boulder	128	134	5 %
Broomfield	45	35	-22 %
Denver	900	1399	55 %
Douglas	338	320	-5 %
El Paso	462	509	10 %
Jefferson	527	455	-14 %
Larimer	271	228	-16 %
Mesa	9	24	167 %
Pueblo	247	206	-17 %
Weld	425	442	4 %

Numerous counties experienced decreases in foreclosure sales at auction when compared to the same period last year. This is due to the change in the foreclosure timeline that began on January 1, 2008. It is impossible to say how many sales might have occurred had the timeline change not taken place.

The sudden drop is apparent when month-by-month statistics are examined. For example, in Jefferson County, there were 192 sales in January and 210 sales in February, but only 53 during March. There were only 33 during April, which means the change in the foreclosure process will affect second quarter sales statistics as well.

### **Regional Differences**

The most significant foreclosure activity is on the Front Range of Colorado. For example, the counties with the most foreclosure filings per household were Adams, Weld, and Arapahoe Counties. Adams and Weld Counties topped the list with 1 filing per 86 households and 1 filing per 102 households respectively. In Arapahoe County, there was 1 filing per 114 households, with Denver and Douglas Counties reporting 1 filing per 123 households and 1 per 139 households respectively. Pueblo dropped out of the top five for the first time in at least a year with 1 foreclosure filing per 154 households.

Foreclosure rates in other metropolitan counties were less severe with El Paso County, Jefferson County, and Broomfield County experiencing foreclosure rates of 1 filing per 177, 1 per 206, and 1 per 217 respectively.

Boulder and Larimer Counties had the lowest foreclosure rates among the metropolitan Front Range counties with rates of 1 filing per 407 households and 1 per 220 respectively.

In the mountains and on the Western Slope, foreclosure rates are generally much lower with Mesa County and Summit County reporting a filings rate of 1 per 449 and 1 per 240 respectively. La Plata County reported a filings rate of 1 per 845.

Statewide, there was approximately 1 foreclosure filing per 159 households for the period from January 1- March 31, 2008.

In the central mountains and on the Western Slope, the active housing market makes it relatively easy to sell a home if the borrower is unable to keep up with payments. On the Front Range and on the Eastern Plains, due partly to a large supply of for-sale housing, it is more difficult to sell a home quickly, and this may lead to larger rates of default.

## **Forecasts for 2008**

Foreclosure filings in Colorado increased 31 percent from 2005 to 2006 and 40 percent from 2006 to 2007. Forecasts suggest that, barring major positive changes in the housing market, foreclosure filings in Colorado may increase to 46,000, a 15 percent increase, during 2008.

At this time, given the unusual situation with foreclosure sales due to the change in the foreclosure process, it is difficult to ascertain what sales numbers may total by the end of the year. By the end of the second quarter, a more reliable sample of foreclosure auction sales data will be available.

## **Methods**

The Colorado Division of Housing has sought to collect foreclosure information on all 64 counties. Data is collected directly from the Public Trustee's office in each county. Our current dataset includes all counties.

Some numbers in this report reflect corrections made to statistics reported in earlier reports.

To calculate per-household foreclosure statistics and rankings, the sample employs data from the most populous and metropolitan counties and also includes a sampling from all parts of the state to provide information on regional differences throughout the state.

The per-household calculation for each county is based on 2006 estimates of occupied households provided by the Colorado State Demographer.

The household number is that of "total occupied housing units" in each county. This is the number used by other organizations that publish foreclosure ranking data.

The Colorado Division of Housing plans to continue counting foreclosure data from Public Trustees on a quarterly basis and will be releasing data for the Fourth Quarter of 2007 early next year. The Colorado Division of Housing wishes to acknowledge the invaluable assistance of Robert Sagel, the Public Trustee of Morgan County, and the Public Trustee Association, although Mr. Sagel and the Association bear no responsibility for the conclusions and analysis contained in this summary.

Table 5  
Foreclosure Statistics 2007-2008

Counties	2007	2007	2007	2007	2007		2007	2007	2007	2007	2007	2008	2008
	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	TOTAL		1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	TOTAL	1st Q	1st Q
	Filings	Filings	Filings	Filings	Filings		Sales	Sales	Sales	Q Sales	Sales	Filings	Sales
<b>Adams</b>	1,456	1,734	1,350	1,706	6,246		1,000	1,180	1,255	1,019	4,454	1,704	935
<b>Alamosa</b>	18	17	12		47		12	5	6		23	9	5
<b>Arapahoe</b>	1,569	1,478	1,482	1,730	6,259		969	1,097	1,088	1,023	4,177	1,851	970
<b>Archuleta</b>	6	14	15	9	44		3	3	9	2	17	35	2
<b>Baca</b>	4	3	1	0	8		4	1	1	1	7	2	0
<b>Bent</b>		2	1	10	13			4	1	5	10	3	0
<b>Broomfield</b>	53	50	74	69	246		45	40	26	43	154	79	35
<b>Boulder</b>	214	211	271	313	1009		128	143	123	183	577	278	134
<b>Chaffee</b>	14	19	14	15	62		9	6	10	2	27	14	0
<b>Cheyenne</b>		0	1	1	2			0	0	0	0		
<b>Clear Creek</b>	30	23	20	14	87		11	14	20	9	54	30	8
<b>Conejos</b>	6	7	9	9	31		2	2	3	2	9		
<b>Costilla</b>	4	10	5		19		2	2	2		6		
<b>Crowley</b>	2	1	4		7		2	2	2		6	7	2
<b>Custer</b>	8	5	10	4	27		0	2	5	1	8		
<b>Delta</b>	19	16	33	27	95		13	15	6	3	37	32	9
<b>Denver</b>	1,940	2,151	1,788	2,030	7,909		900	979	1,848	1,352	5,079	2,042	1,399
<b>Dolores</b>	5	2	2	3	12		1	0	1	1	3		
<b>Douglas</b>	373	457	437	598	1,865		338	412	281	227	1,258	665	320
<b>Eagle</b>	14	45	43	27	129		8	26	24	26	84	33	8



<b>Counties</b>	<b>2007 1st Q</b>	<b>2007 2nd Q</b>	<b>2007 3rd Q</b>	<b>2007 4th Q</b>	<b>2007 TOTAL</b>	<b>2007 1st Q</b>	<b>2007 2nd Q</b>	<b>2007 3rd Q</b>	<b>2007 4th Q</b>	<b>2007 TOTAL</b>	<b>2008 1st Q</b>	<b>2008 1st Q</b>
	<b>Filings</b>	<b>Filings</b>	<b>Filings</b>	<b>Filings</b>	<b>Filings</b>	<b>Sales</b>	<b>Sales</b>	<b>Sales</b>	<b>Sales</b>	<b>Sales</b>	<b>Filings</b>	<b>Sales</b>
<b>Elbert</b>	66	58	54	65	243	36	47	45	32	160	77	35
<b>El Paso</b>	828	880	865	983	3556	462	497	537	520	2016	1,216	509
<b>Fremont</b>	79	84	80	64	307		29	35	36	100	91	0
<b>Garfield</b>	18	19	18	18	73	6	6		8	20	34	0
<b>Gilpin</b>	16	15	11	15	57	3	11	10	8	32	24	0
<b>Grand</b>	13	12	11	18	54	8	3	6	5	22	38	9
<b>Gunnison</b>	9	5	6	6	26	1	2	1	2	6	13	1
<b>Hinsdale</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Huerfano</b>		12	11		23		6	3		9	16	8
<b>Jackson</b>	0	0	2	0	2	0	0	0	1	1	3	0
<b>Jefferson</b>	839	826	889	1034	3588	527	543	531	579	2180	1010	455
<b>Kiowa</b>		0	0	0	0		0	2	0	2	0	0
<b>Kit Carson</b>		6	8	12	26		6	5	9	20	14	3
<b>La Plata</b>	17	23	29	14	83	14	0	12	10	36	23	7
<b>Lake</b>	5	10	5	4	24	2	2	3	1	8	6	1
<b>Larimer</b>	382	354	370	482	1588	271	277	215	243	1006	487	228
<b>Las Animas</b>	25	10	17		52	3	8	1		12	30	0
<b>Lincoln</b>	6	5	9		20	2	6	4		12	19	0
<b>Logan</b>	26	21	22	23	92	7	14	17	15	53	18	9
<b>Mesa</b>	102	89	95	107	393	9	28	37	34	108	119	24
<b>Mineral</b>		1	0	0	1		0	0	0	0	1	0
<b>Moffat</b>		8	10	9	27		5	3	2	10		
<b>Montezuma</b>	7	12	10	15	44	1	6	3	4	14	13	8
<b>Montrose</b>	32	21	18	30	101	8		5	5	18	36	0

Counties	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2008	2008
	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	TOTAL	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	TOTAL	1st Q	1st Q
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Q Sales	Sales	Filings	Sales
Pitkin		3	4		7		1	1		2	9	0
Prowers	14	18	6	15	53	11	7	4	4	26	13	8
Pueblo	383	362	335	424	1504	247	290	240	252	1029	383	206
Rio Blanco	3	1	1	4	9	1	1	0	0	2	2	0
Rio Grande		8	19	11	38		7	8	16	31	15	5
Routt	9	12	9		30	8	1	1		10	14	3
Saguache		5	2	11	18		2	2	4	8	5	7
San Juan	0	0	0		0	0	0	0		0	1	0
San Miguel	7	5	4	4	20	2	2	0	0	4	6	1
Sedgwick	0	3	3		6	0	1	2		3		
Summit	16	38	45		99	1	5	21		27	46	0
Teller		52	79	43	174		43	36	34	113	74	25
Washington	3	0	14	7	24	1	2	1	7	11	3	4
Weld	647	650	746	834	2877	425	456	542	496	1919	813	442
Yuma	8	11	2	6	27	3	6	6	1	16	9	2
<b>Totals</b>	<b>9,443</b>	<b>10,017</b>	<b>9,500</b>	<b>10,955</b>	<b>39,915</b>	<b>5,586</b>	<b>6,322</b>	<b>7,117</b>	<b>6,295</b>	<b>25,320</b>	<b>11,630</b>	<b>5,875</b>

Table 6  
Foreclosure Rates 2008

County	Total occupied units (2006 estimates)	1st Q Foreclosure Filings 2007	2nd Q Foreclosure Filings 2007	3rd Q Foreclosure Filings 2007	4th Q Foreclosure Filings 2007	Total Foreclosure Filings 2007	1st Q Foreclosure Filings 2008	No. Occupied units per foreclosure filing by county. [ read: one foreclosure filing per <i>n</i> households]
Adams	145,949	1,456	1,734	1,350	1,706	6,246	1,704	<b>1 per 86</b>
Arapahoe	211,798	1,569	1,478	1,482	1,730	6,259	1,851	<b>1 per 114</b>
Boulder	113,230	214	211	271	313	1009	278	<b>1 per 407</b>
Broomfield	17,119	53	50	74	69	246	79	<b>1 per 217</b>
Denver	250,259	1,940	2,151	1,788	2,030	7,909	2,042	<b>1 per 123</b>
Douglas	92,275	373	457	437	598	1,865	665	<b>1 per 139</b>
El Paso	214,974	828	880	865	983	3,556	1,216	<b>1 per 177</b>
Eagle	18,415	14	45	43	27	129	33	<b>1 per 558</b>
Jefferson	208,482	839	826	889	1034	3,588	1,010	<b>1 per 206</b>
Larimer	107,296	382	354	370	482	1,588	487	<b>1 per 220</b>
Mesa	53,416	102	89	95	107	393	119	<b>1 per 449</b>
Pueblo	58,941	383	362	335	424	1,504	383	<b>1 per 154</b>
Weld	82,929	647	650	746	834	2,877	813	<b>1 per 102</b>
La Plata	19,440	17	23	29	14	83	23	<b>1 per 845</b>
Otero	7,579	39	25	28	32	124	37	<b>1 per 204</b>
Garfield	19,587	18	19	18	18	73	34	<b>1 per 576</b>
Morgan	9,909	46	47	43	39	175	43	<b>1 per 230</b>
Summit	11,066	16	38	45	40	139	46	<b>1 per 240</b>

Statewide there was 1 foreclosure filing per 159 households during 2007.