



**COLORADO**  
Division of Housing  
DOLA

## **Colorado Division of Housing 2<sup>nd</sup> Quarter 2008 Foreclosure Report**

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

**August 5, 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 Such filings can be "cured" and "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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 second quarter of 2008, Colorado public trustees reported 10,875 foreclosure filings. There were 11,630 filings during the first quarter of 2008, and 10,017 filings during the second quarter of 2007. There were 39,915 foreclosure filings during the full year of 2007.

Total filings dropped 6 percent from the first quarter to the second quarter of this year. Compared to the second quarter of 2007, the second quarter of 2008 had 9 percent more foreclosure filings. For the first 6 months of 2008, Colorado has experienced 16 percent more foreclosure filings than the same period last year.

**Table 1: Foreclosure Filings**

<b>Year</b>	<b>Foreclosure Filings</b>
2003	13,573
2004	16,801
2005	21,782
2006	28,435
2007	39,915
<b>2008 January-June</b>	<b>22,500</b>

### **Foreclosure Sales**

For the second quarter of 2008, Colorado public trustees reported 3895 foreclosure sales, a 38 percent decrease from the second quarter of 2007. Foreclosure sales decreased 34 percent from the first quarter to the second quarter of 2008.

**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	25,320
<b>2008 January-June</b>	<b>3,895</b>

### **Recent Trends**

Compared to the same period last year, foreclosure filings during the second quarter of 2008 were up 9 percent. Comparing the first half of 2008 to the same period during 2007, foreclosure filings increased 16 percent.

There were 6 percent fewer foreclosure filings during the second quarter of 2008 than during the first quarter. During 2007, foreclosure filings increased 6 percent from the first quarter to the second quarter.

Due to the change in the foreclosure process, foreclosure sales of new foreclosures filed during 2008 were not permitted during March and April. This led to an artificially muted number of foreclosure sales during the second quarter which included April. There were 3895 foreclosure sales during the second quarter, which was 38 percent fewer sales than the same period during 2007. Foreclosure sales declined from the first quarter of 2008 to the second quarter of 2008, dropping off 34 percent.

### County Statistics

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

County	2 <sup>nd</sup> Q 2007	2 <sup>nd</sup> Q 2008	Year-over-year % increase
Adams	1734	1613	-7%
Arapahoe	1478	1678	14%
Boulder	211	297	41 %
Broomfield	50	73	46%
Denver	2151	1805	-16%
Douglas	457	570	25 %
El Paso	880	1315	49%
Jefferson	826	1045	27 %
Larimer	354	433	25%
Mesa	89	108	21 %
Pueblo	362	332	-8%
Weld	650	781	20%

Overall, foreclosure filings in Colorado were 9 percent higher during the second quarter of this year than the same period last year.

Some counties that in recent years reported very large increases in foreclosures, such as Adams, Denver and Pueblo Counties, reported decreases from the second quarter of last year to the same period this year.

Notably, some counties that traditionally have had 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 changes in foreclosure filings in metropolitan counties**

County	Jan-June, 2007	Jan-June, 2008	Year-over-year % increase
Adams	3190	3317	4 %
Arapahoe	3057	3529	15 %
Boulder	425	575	35 %
Broomfield	103	152	48 %

Denver	4091	3847	-6 %
Douglas	830	1235	49%
El Paso	1708	2531	48%
Jefferson	1665	2055	23 %
Larimer	736	920	25%
Mesa	191	227	19 %
Pueblo	745	715	-4%
Weld	1297	1594	23 %

When the first half of the year is taken as a whole, decreases in total foreclosure filings are less pronounced, although the general trend is still present with Adams, Denver, and Pueblo Counties showing either very small increases or decreases. The largest increases are found in El Paso, Broomfield, Boulder, and Douglas Counties. Statewide, the first half of 2008 showed 16 percent more foreclosure filings than the same period of 2007.

**Table 5: Year-over-year changes in foreclosure sales at auction**

County	1 <sup>st</sup> Q 2007	1 <sup>st</sup> Q 2008	Year-over-year % increase
Adams	1180	645	-45 %
Arapahoe	1097	660	-40 %
Boulder	143	86	-40 %
Broomfield	40	22	-45 %
Denver	979	776	-21 %
Douglas	412	207	-50 %
El Paso	497	372	-25 %
Jefferson	543	316	-42 %
Larimer	277	145	-48 %
Mesa	28	18	-36 %
Pueblo	290	168	-42 %
Weld	456	273	-40 %

Numerous counties experienced decreases in foreclosure sales at auction when compared to the same period last year. This is due largely 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 and temporary drop in foreclosure sales is apparent when month-by-month statistics are examined. For example, in Jefferson County, there were only 33 sales in April due to the timeline change. But, sales increased dramatically to 137 in May and 146 in June. In Arapahoe County, there were 57 sales during April, but 307 during May and 296 during June.

These anomalies mean that we have only 2 months that provide data on what sales will look like under the new foreclosure laws. The third quarter will be the first full quarter of sales under the new laws, and improved analysis will be possible at that time.

### **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, Denver, and Arapahoe Counties. Adams and Weld Counties topped the list with 1 filing per 44 households and 1 filing per 52 households respectively. In Arapahoe County, there was 1 filing per 60 households, with Denver and Douglas Counties reporting 1 filing per 65 households and 1 per 74 households respectively.

Pueblo and El Paso Counties reported nearly the same foreclosure rates with 1 per 82 and 1 per 85 respectively.

Boulder County reported the lowest foreclosure rate in the Denver Metro area with 1 foreclosure filing per 197 households.

Notably, the foreclosure rate in Summit County has increased to the point where it now has a higher foreclosure rate than Boulder County and is about equal to Larimer County in its foreclosure rate. Summit County and Larimer County reported foreclosure rates of 1 per 114 and 1 per 117 respectively.

Summit County's foreclosure rate is notable since mountain counties and Western Slope counties have tended to have much lower foreclosure rates than Front Range counties.

Mesa County and Eagle County reporting a filings rate of 1 per 235 and 1 per 233 respectively. La Plata County reported a filings rate of 1 per 290.

Statewide, there was approximately 1 foreclosure filing per 82 households for the period from January 1- June 30, 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. Current forecasts suggest that, barring major changes in the housing market, foreclosure filings in Colorado may increase to 46,000, a 15 percent increase, during 2008. A likely range for a rate of increase is 10 percent to 20 percent for 2008 over 2007.

This would be a much smaller annual increase in foreclosures compared to 2007 and 2006. It remains to be seen whether or not 2008 will prove to be the peak year for foreclosure filings during the current economic cycle.

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. The third quarter will offer the first full quarter of foreclosure sales under the new foreclosure process and will offer insights into the future of foreclosure filings in Colorado.

It does stand to reason, however, that as the rate of increase in foreclosure filings begins to level out, foreclosure sales will follow a similar pattern. Also, if the change in the foreclosure process works as intended, foreclosure sales will slow at a greater rate than foreclosure filings. Foreclosure sales are also more affected by foreclosure prevention efforts like the Colorado Foreclosure Hotline than are sales, and thus may slow or even decrease at a faster rate than filings.

## **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 55 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 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 6  
Foreclosure Statistics 2007-2008

Counties	2007	2007	2007	2007	2007		2007	2007	2007	2007	2007		2008	2008	2008	2008
	1 <sup>st</sup> Q Filings	2 <sup>nd</sup> Q Filings	3 <sup>rd</sup> Q Filings	4 <sup>th</sup> Q Filings	TOTAL Filings		1 <sup>st</sup> Q Sales	2 <sup>nd</sup> Q Sales	3 <sup>rd</sup> Q Sales	4 <sup>th</sup> Q Sales	TOTAL Sales		1 <sup>st</sup> Q Filings	2 <sup>nd</sup> Q Filings	1 <sup>st</sup> Q Sales	2 <sup>nd</sup> Q 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	1,613	935	645
<b>Alamosa</b>	18	17	12		47		12	5	6		23		9	22	5	2
<b>Arapahoe</b>	1,569	1,478	1,482	1,730	6,259		969	1,097	1,088	1,023	4,177		1,851	1,678	970	660
<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	0	0
<b>Bent</b>		2	1	10	13			4	1	5	10		3	2	0	0
<b>Broomfield</b>	53	50	74	69	246		45	40	26	43	154		79	73	35	22
<b>Boulder</b>	214	211	271	313	1009		128	143	123	183	577		278	297	134	86
<b>Chaffee</b>	14	19	14	15	62		9	6	10	2	27		14	10	0	2
<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	32	8	11
<b>Conejos</b>	6	7	9	9	31		2	2	3	2	9			4		0
<b>Costilla</b>	4	10	5		19		2	2	2		6					
<b>Crowley</b>	2	1	4		7		2	2	2		6		7	1	2	2
<b>Custer</b>	8	5	10	4	27		0	2	5	1	8			3		0
<b>Delta</b>	19	16	33	27	95		13	15	6	3	37		32	23	9	5
<b>Denver</b>	1,940	2,151	1,788	2,030	7,909		900	979	1,848	1,352	5079		2,042	1,805	1,399	776
<b>Dolores</b>	5	2	2	3	12		1	0	1	1	3			3		0
<b>Douglas</b>	373	457	437	598	1865		338	412	281	227	1258		665	570	320	207
<b>Eagle</b>	14	45	43	27	129		8	26	24	26	84		33	46	8	6



Counties	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2008	2008	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	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Q Sales	Sales	Filings	Filings	Sales	Sales	
Elbert	66	58	54	65	243	36	47	45	32	160	77	66	35	27	
El Paso	828	880	865	983	3556	462	497	537	520	2016	1,216	1,315	509	372	
Fremont	79	84	80	64	307		29	35	36	100	91	73	0	32	
Garfield	18	19	18	18	73	6	6		8	20	34	23	0	2	
Gilpin	16	15	11	15	57	3	11	10	8	32	24	14	0	2	
Grand	13	12	11	18	54	8	3	6	5	22	38	45	9	9	
Gunnison	9	5	6	6	26	1	2	1	2	6	13	20	1	1	
Hinsdale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Huerfano		12	11		23		6	3		9	16		8		
Jackson	0	0	2	0	2	0	0	0	1	1	3	1	0	1	
Jefferson	839	826	889	1034	3588	527	543	531	579	2180	1010	1045	455	316	
Kiowa		0	0	0	0		0	2	0	2	0	0	0	0	
Kit Carson		6	8	12	26		6	5	9	20	14		3		
La Plata	17	23	29	14	83	14	0	12	10	36	23	44	7	5	
Lake	5	10	5	4	24	2	2	3	1	8	6	11	1	2	
Larimer	382	354	370	482	1588	271	277	215	243	1006	487	433	228	145	
Las Animas	25	10	17		52	3	8	1		12	30	14	0	1	
Lincoln	6	5	9		20	2	6	4		12	19	7	0	8	
Logan	26	21	22	23	92	7	14	17	15	53	18	9	9	2	
Mesa	102	89	95	107	393	9	28	37	34	108	119	108	24	18	
Mineral		1	0	0	1		0	0	0	0	1		0		
Moffat		8	10	9	27		5	3	2	10		10		1	
Montezuma	7	12	10	15	44	1	6	3	4	14	13	18	8	1	
Montrose	32	21	18	30	101	8		5	5	18	36		0		
Morgan	46	47	43	39	175	28	36	32	17	113	43	36	21	11	

Counties	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2008	2008	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	2nd Q	1st Q	2nd Q
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Q Sales	Sales	Filings	Filings	Sales	Sales
Otero	39	25	28	32	124	14		17	7	38	37	23	0	6
Ouray	2	1	1	3	7	2	1	1	1	5	1	0	0	0
Park	51	54	41	54	200	33	30	22	37	122	78	64	25	25
Philips	10	6	6	4	26	3	2	5	6	16	6	4+	2	2
Pitkin		3	4		7		1	1		2	9		0	
Prowers	14	18	6	15	53	11	7	4	4	26	13	7	8	5
Pueblo	383	362	335	424	1504	247	290	240	252	1029	383	332	206	168
Rio Blanco	3	1	1	4	9	1	1	0	0	2	2	3	0	0
Rio Grande		8	19	11	38		7	8	16	31	15	15	5	1
Routt	9	12	9		30	8	1	1		10	14	16	3	2
Saguache		5	2	11	18		2	2	4	8	5	6	7	0
San Juan	0	0	0		0	0	0	0		0	1	3	0	0
San Miguel	7	5	4	4	20	2	2	0	0	4	6	6	1	1
Sedgwick	0	3	3		6	0	1	2		3				
Summit	16	38	45		99	1	5	21		27	46	51	0	6
Teller		52	79	43	174		43	36	34	113	74	82	25	21
Washington	3	0	14	7	24	1	2	1	7	11	3	2	4	3
Weld	647	650	746	834	2877	425	456	542	496	1919	813	781	442	273
Yuma	8	11	2	6	27	3	6	6	1	16	9	5	2	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>10,870</b>	<b>5,875</b>	<b>3,895</b>

Table 7: Foreclosure Rates in Select Counties, 2<sup>nd</sup> Quarter 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	2nd Q Foreclosure Filings 2008	2008 foreclosure filings YTD	No. Occupied units per foreclosure by county. [1 foreclosure filing per <i>n</i> households]
Adams	145,949	1,456	1,734	1,350	1,706	6,246	1,704	1,613	3,317	<b>44</b>
Arapahoe	211,798	1,569	1,478	1,482	1,730	6,259	1,851	1,678	3,529	<b>60</b>
Boulder	113,230	214	211	271	313	1,009	278	297	575	<b>197</b>
Broomfield	17,119	53	50	74	69	246	79	73	152	<b>112</b>
Denver	250,259	1,940	2,151	1,788	2,030	7,909	2,042	1,805	3,847	<b>65</b>
Douglas	92,275	373	457	437	598	1,865	665	570	1,235	<b>74</b>
El Paso	214,974	828	880	865	983	3,556	1,216	1,315	2,531	<b>85</b>
Eagle	18,415	14	45	43	27	129	33	46	79	<b>233</b>
Jefferson	208,482	839	826	889	1,034	3,588	1,010	1,045	2,055	<b>101</b>
Larimer	107,296	382	354	370	482	1,588	487	433	920	<b>117</b>
Mesa	53,416	102	89	95	107	393	119	108	227	<b>235</b>
Pueblo	58,941	383	362	335	424	1,504	383	332	715	<b>82</b>
Weld	82,929	647	650	746	834	2,877	813	781	1,594	<b>52</b>
La Plata	19,440	17	23	29	14	83	23	44	67	<b>290</b>
Otero	7,579	39	25	28	32	124	37	23	60	<b>126</b>
Garfield	19,587	18	19	18	18	73	34	23	57	<b>344</b>
Morgan	9,909	46	47	43	39	175	43	36	79	<b>125</b>
Summit	11,066	16	38	45	40	139	46	51	97	<b>114</b>

Statewide there was 1 foreclosure filing per 82 households during 2008.