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Division of Housing
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Colorado Division of Housing 3rd Quarter 2008 Foreclosure Report

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

December 4, 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 Such filings can be "cured" and "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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 third quarter of 2008, statistics on foreclosure filings will be difficult to interpret. This is due to new changes in foreclosure notification mandated by HB 08-1402 which passed the Colorado General Assembly in 2008. There will be a significant drop observed in foreclosure filings during August 2008. Patterns in filings should return to normal by the fourth quarter.

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 three quarters of 2008, Colorado public trustees reported 29,756 foreclosure filings and 16,246 sales. For the same period last year, there were 28,960 filings and 19,025 sales. Comparing year over year for this period, we find foreclosure filings increased 3 percent while sales decreased 14 percent.

During the third quarter of 2008 alone, there were 7,261 filings and 6,454 sales. By comparison, during the third quarter of 2007, there were 9,500 filings and 7,117 sales.

Compared to the first 3 quarters of last year, total 2008 filings for the first three quarters increased 3 percent while sales dropped 14 percent.

Comparing the third quarter of this year to the second quarter of this year, we find that filings decreased 33 percent while sales increased 66 percent.

Compared to the third quarter of last year, foreclosure filings during the third quarter of 2008 were down 24 percent, and sales were down 9 percent.

Due to the change in the foreclosure process, foreclosure sales of new foreclosures filed during 2008 were not permitted during March and April. This has depressed the number of completed foreclosures (sales) reported during 2008. This lead to an artificially muted number of foreclosure sales for both the first and second quarters. The change mandated by HB 1402 (see above) has artificially depressed the total number of filings reported as well.

Table 1: Foreclosure Filings

Year	Foreclosure Filings
2003	13,573
2004	16,801
2005	21,782
2006	28,435
2007	39,915
2008 January-September	29,756

Table 2: Foreclosure Sales at Auction

Year	Foreclosure Sales
2003	6,258
2004	7,782
2005	12,699
2006	17,451
2007	25,320
2008 January-September	16,246

County Statistics

Trends in different counties throughout the state vary considerably. The 12 most populous counties in Colorado account for approximately 95 percent of all foreclosure activity in Colorado, and counties with high foreclosure rates tend to be restricted to the Front Range. See the appendix for full county-by-county data.

Compared to the first 3 quarters of last year, total 2008 filings statewide for the first three quarters increased 3 percent while sales dropped 14 percent.

As tables 3 and 4 show, however, changes in individual counties varied greatly:

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

County	Jan-Sept 2007	Jan-Sept 2008	Year-over-year % increase
Adams	3435	2593	-25%
Arapahoe	3154	2633	-17%
Boulder	394	357	-9 %
Broomfield	111	90	-19%
Denver	3727	3534	-5%
Douglas	1031	814	-21 %
El Paso	1496	1556	+4%
Jefferson	1601	1334	-17 %
Larimer	763	615	-19%
Mesa	74	74	0%
Pueblo	777	584	-25%
Weld	1423	1151	-19%

Table 4: Year-over-year changes in foreclosure filings in metropolitan counties

County	Jan-Sept, 2007	Jan-Sept, 2008	Year-over-year % increase
Adams	4540	4386	-3 %
Arapahoe	4529	4492	-1 %
Boulder	696	781	+12 %
Broomfield	177	210	+19 %
Denver	5879	4826	-18 %
Douglas	1267	1575	+24%
El Paso	2573	3400	+32%
Jefferson	2554	2768	+8 %
Larimer	1106	1266	+14%
Mesa	286	343	+20%
Pueblo	1080	973	-10%
Weld	2043	2154	+5%

Some counties that in recent years reported very large increases in foreclosures, such as Adams, Denver and Pueblo Counties, reported decreases for 2008.

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.

Compared to the third quarter of last year, foreclosure filings statewide during the third quarter of 2008 were down 24 percent, and sales were down 9 percent:

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

County	3rd Q 2007	3rd Q 2008	Year-over-year % increase
Adams	1255	1013	-19%
Arapahoe	1088	1003	-8%
Boulder	123	137	+11 %
Broomfield	26	33	+27 %
Denver	1848	1359	-26%
Douglas	281	287	+2 %
El Paso	537	675	+26 %
Jefferson	531	563	+6 %
Larimer	2151	242	+13 %
Mesa	37	32	-14 %
Pueblo	240	210	-13 %
Weld	542	436	-20 %

When looking at the third quarter statistics alone, we find that sales (completed foreclosures) are up in six of the metropolitan counties, and down in six. This data matches up with recent findings that show that in Adams, Denver, and Arapahoe Counties, overall foreclosure activity has slowed and flattened out, while growth in El Paso has accelerated.

Looking at the year-to-date overall, completed foreclosures (sales) are down due to changes in the law that depressed the number of sales during the first and second quarters. Consequently, the third quarter year-over-year analysis gives us a better gauge of trends in completed foreclosures compared to last year.

Activity in foreclosure filings was generally unaffected by changes in the foreclosure timeline, so we find that year-to-date comparisons (see Table 4) for the first three quarters provide a fair analysis of filings activity compared to last year.

When comparing filings data for the third quarter of 2008 to the third quarter of 2007, however, filings are down considerable due to new laws that artificially depressed the number of new filings in August to very low levels. Filings numbers rebounded in September, but third quarter filings data alone is of very limited use.

The fourth quarter of 2008 will be the first quarter of this year in which neither filings nor sales were artificially depressed by changes in the law. The fourth quarter report will be able to provide more sound analysis on both filings and sales as compared to 2007.

Regional Differences

Differences in foreclosure rates between counties have changed little during 2008.

The most significant foreclosure activity is on the Front Range of Colorado. For example, the counties with the most foreclosure sales per household were Adams, Weld, Denver, and Arapahoe Counties. Among metropolitan counties, Adams and Denver Counties topped the list with 1 filing per 58 households and 1 filing per 73 households respectively. In Weld County, there was one completed foreclosure per 74 households, with Arapahoe and Pueblo Counties reporting 1 filing per 87 households and 1 per 102 households respectively.

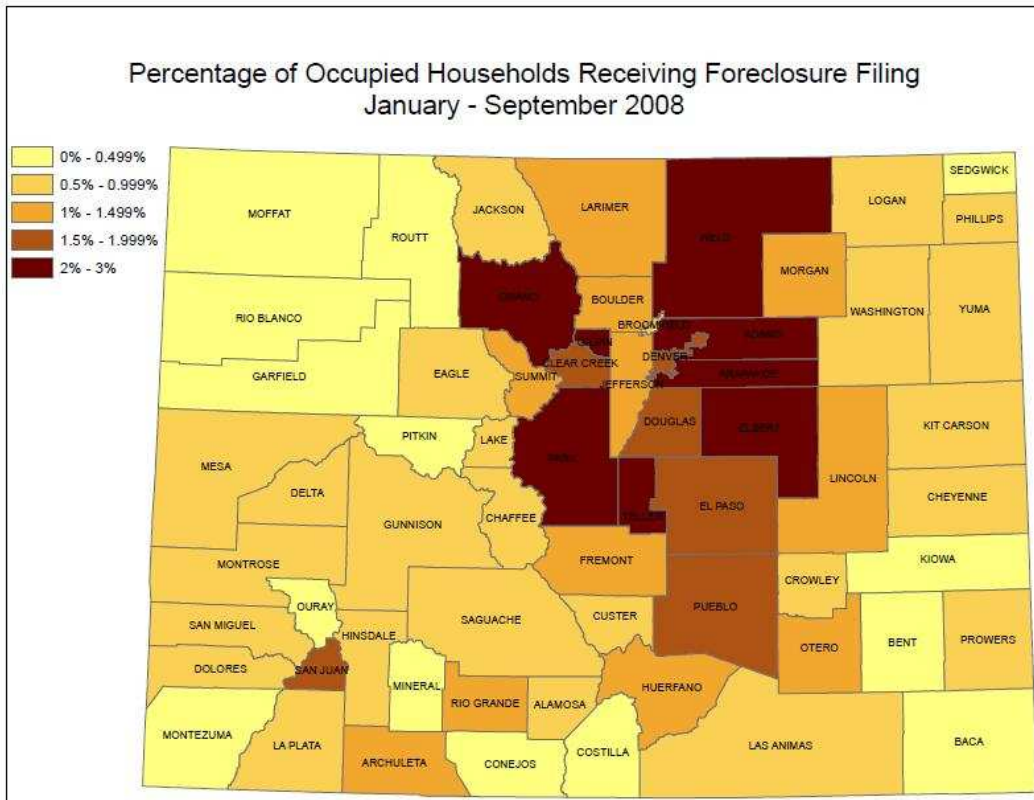
Boulder County reported the lowest foreclosure rate in the Denver metro area with 1 completed foreclosure per 351 households.

In the mountains and on the Western Slope, foreclosure rates were considerably lower. Mesa County reported one completed foreclosure for every 756 households, while Garfield County reported only one completed foreclosure for every 5,079 households.

Foreclosure rates in mountain counties also often reflect foreclosures on second homes and time-shares.

Statewide, there was approximately 1 completed foreclosure (sale) per 292 households for the period from January 1- September 30, 2008.

Map 1: approximate foreclosure filing rates in Colorado Counties



Forecasts for 2008

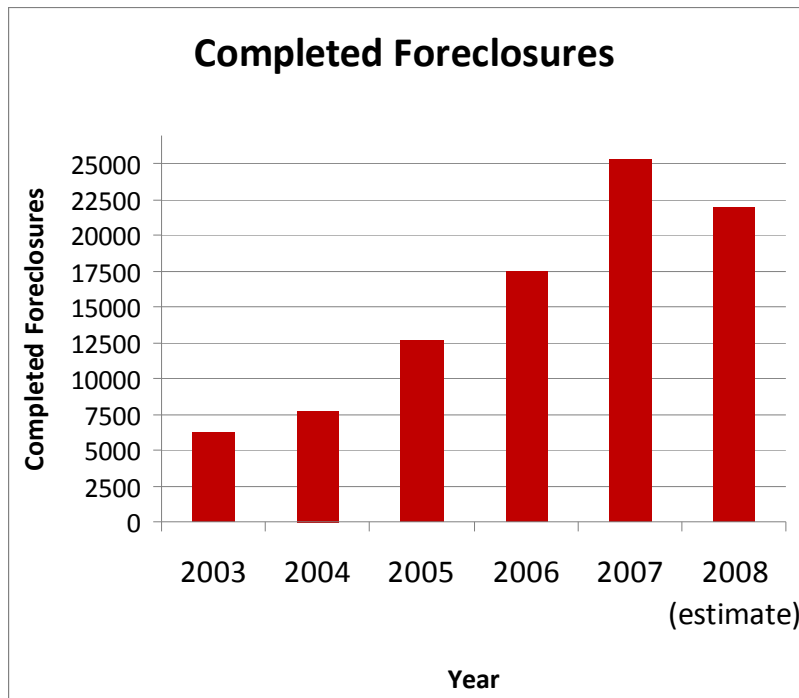
If the fourth quarter performs as expected and adds approximately 6,000 foreclosure sales, Colorado will finish the year down 13 percent with approximately 22,000 completed foreclosures. During 2007, there were 25,320 completed foreclosures.

The state is also expected to add about 10,500 foreclosure filings during the fourth quarter, which would mean an annual total of 40,256, or a 1 percent increase. Last year, the state reported 39,915 foreclosure filings.

Although, 2008 showed a significant slowing in the rate of increase in new foreclosure activity, we caution against being overly-optimistic about foreclosure rates for 2009. The changes in law have affected sales and filings numbers in significant ways, but we are cautiously optimistic that the 13 percent decline in completed foreclosure sales this year will signal decreases in sales for 2009 also.

The effects of the recession that began in December of 2007 remain to be seen. If job losses continue and accelerate, foreclosures will likely increase as homeowners lose income. Adjustable rate mortgages will also continue to readjust in 2009.

Graph 1: Completed Foreclosures (sales)



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.

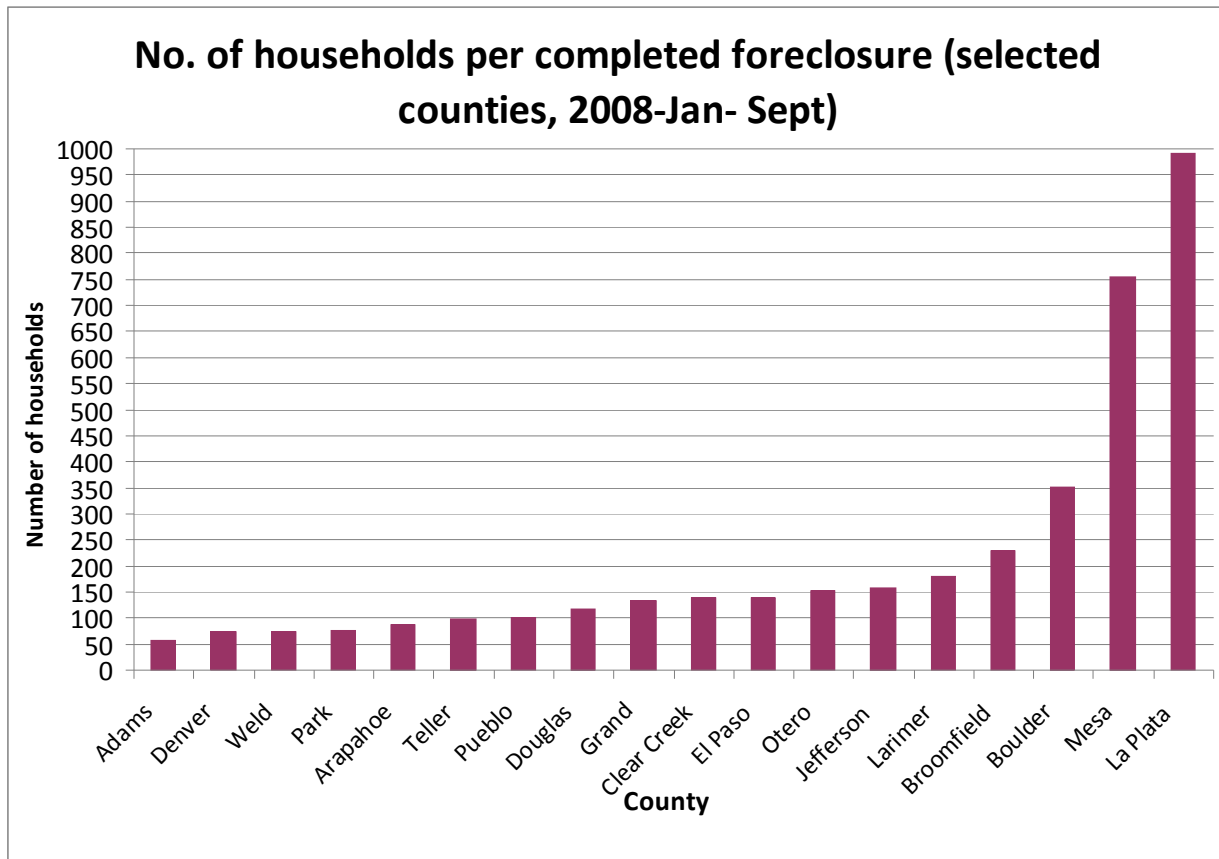
Table 6
Foreclosure Statistics 2007-2008

Counties	2007					2007					2008			2008		
	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1 st Q	2 nd Q	3 rd Q	1 st Q	2 nd Q	3 rd Q
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Sales	Sales	Filings	Filings	Filings	Sales	Sales	Sales
Adams	1,456	1,734	1,350	1,706	6,246	1,000	1,180	1,255	1,019	4,454	1,704	1,613	1,069	935	645	1013
Alamosa	18	17	12		47	12	5	6		23	9	22	9	5	2	9
Arapahoe	1,569	1,478	1,482	1,730	6,259	969	1,097	1,088	1,023	4177	1,851	1,678	963	970	660	1003
Archuleta	6	14	15	9	44	3	3	9	2	17	35		29	2		17
Baca	4	3	1	0	8	4	1	1	1	7	2	0	0	0	0	0
Bent		2	1	10	13		4	1	5	10	3	2	2	0	0	0
Broomfield	53	50	74	69	246	45	40	26	43	154	79	73	58	35	22	33
Boulder	214	211	271	313	1009	128	143	123	183	577	278	302	201	134	86	137
Chaffee	14	19	14	15	62	9	6	10	2	27	14	10	10	0	2	3
Cheyenne		0	1	1	2		0	0	0	0			6			3
Clear Creek	30	23	20	14	87	11	14	20	9	54	30	32	14	8	11	20
Conejos	6	7	9	9	31	2	2	3	2	9		4	8		0	2
Costilla	4	10	5		19	2	2	2		6			1			1
Crowley	2	1	4		7	2	2	2		6	7	1	5	2	2	3
Custer	8	5	10	4	27	0	2	5	1	8		3	9		0	0
Delta	19	16	33	27	95	13	15	6	3	37	32	23	33	9	5	15
Denver	1,940	2,151	1,788	2,030	7,909	900	979	1,848	1,352	5079	2,042	1,805	979	1,399	776	1359
Dolores	5	2	2	3	12	1	0	1	1	3		3	1		0	0
Douglas	373	457	437	598	1865	338	412	281	227	1258	665	570	340	320	207	287
Eagle	14	45	43	27	129	8	26	24	26	84	33	46	41	8	6	21
Elbert	66	58	54	65	243	36	47	45	32	160	77	66	50	35	27	35

Counties	2007					2007					2008			2008		
	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1 st Q	2 nd Q	3 rd Q	1 st Q	2 nd Q	3 rd Q
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Sales	Sales	Filings	Filings	Filings	Sales	Sales	Sales
El Paso	828	880	865	983	3556	462	497	537	520	2016	1,216	1,315	869	509	372	675
Fremont	79	84	80	64	307		29	35	36	100	91	73	61	0	32	49
Garfield	18	19	18	18	73	6	6		8	20	34	23	25	0	2	2
Gilpin	16	15	11	15	57	3	11	10	8	32	24	14	10	0	2	7
Grand	13	12	11	18	54	8	3	6	5	22	38	45	41	9	9	26
Gunnison	9	5	6	6	26	1	2	1	2	6	13	20	13	1	1	13
Hinsdale	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0
Huerfano		12	11		23		6	3		9	16		15	8		3
Jackson	0	0	2	0	2	0	0	0	1	1	3	1	1	0	1	0
Jefferson	839	826	889	1034	3588	527	543	531	579	2180	1010	1045	713	455	316	563
Kiowa		0	0	0	0		0	2	0	2	0	0	0	0	0	0
Kit Carson		6	8	12	26		6	5	9	20	14		5	3		4
La Plata	17	23	29	14	83	14	0	12	10	36	23	44	30	7	5	8
Lake	5	10	5	4	24	2	2	3	1	8	6	11	10	1	2	2
Larimer	382	354	370	482	1588	271	277	215	243	1006	487	433	346	228	145	242
Las Animas	25	10	17		52	3	8	1		12	30		17	0		6
Lincoln	6	5	9		20	2	6	4		12	19	7	2	0	8	3
Logan	26	21	22	23	92	7	14	17	15	53	18	9	16	9	2	9
Mesa	102	89	95	107	393	9	28	37	34	108	119	108	116	24	18	32
Mineral		1	0	0	1		0	0	0	0	1	0	1	0	0	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		43	0		10

Counties	2007					2008					2008			2008		
	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1 st Q	2 nd Q	3 rd Q	4 th Q	TOTAL	1st Q	2nd Q	3rd Q	1st Q	2nd Q	3rd Q
	Filings	Filings	Filings	Filings	Filings	Sales	Sales	Sales	Sales	Sales	Filings	Filings	Filings	Sales	Sales	Sales
Morgan	46	47	43	39	175	28	36	32	17	113	43	36	34	21	11	20
Otero	39	25	28	32	124	14		17	7	38	37	23	24	23	6	20
Ouray	2	1	1	3	7	2	1	1	1	5	1	0	1	0	0	2
Park	51	54	41	54	200	33	30	22	37	122	78	64	55	25	25	42
Philips	10	6	6	4	26	3	2	5	6	16	5	5	3	2	2	2
Pitkin		3	4		7		1	1		2	9			0		
Prowers	14	18	6	15	53	11	7	4	4	26	13	7	6	8	5	6
Pueblo	383	362	335	424	1504	247	290	240	252	1029	383	332	258	206	168	210
Rio Blanco	3	1	1	4	9	1	1	0	0	2	2	3	2	0	0	0
Rio Grande		8	19	11	38		7	8	16	31	15	15	19	5	1	6
Routt	9	12	9		30	8	1	1		10	14	16	10	3	2	2
Saguache		5	2	11	18		2	2	4	8	5	6	11	7	0	4
San Juan	0	0	0		0	0	0	0		0	1	3	1	0	0	1
San Miguel	7	5	4	4	20	2	2	0	0	4	6	6	5	1	1	2
Sedgwick	0	3	3		6	0	1	2		3			2			1
Summit	16	38	45		99	1	5	21		27	46	51	48	0	6	32
Teller		52	79	43	174		43	36	34	113	74	82	46	25	21	46
Washington	3	0	14	7	24	1	2	1	7	11	3	2	4	4	3	3
Weld	647	650	746	834	2877	425	456	542	496	1919	813	781	560	442	273	436
Yuma	8	11	2	6	27	3	6	6	1	16	9	5	7	2	2	4
Totals	9,443	10,017	9,500	10,955	39,915	5,586	6,322	7,117	6,295	25,320	11,629	10,866	7,261	5,898	3,894	6,454

Table 7: Foreclosure Rates in Select Counties, 2nd Quarter 2008



Read as “150 households per completed foreclosure in Otero County.” A lower number indicates a higher foreclosure rate.

Counties	2008 Foreclosure rate based on completed foreclosures	1 Completed Foreclosure sale per N households
Baca	0.00%	No foreclosures
Bent	0.00%	No foreclosures
Custer	0.00%	No foreclosures
Dolores	0.00%	No foreclosures
Hinsdale	0.00%	No foreclosures
Kiowa	0.00%	No foreclosures
Mineral	0.00%	No foreclosures
Pitkin	0.00%	No foreclosures
Rio Blanco	0.00%	No foreclosures
Adams	1.74%	58
Denver	1.37%	73
Weld	1.34%	74
Park	1.33%	75
Elbert	1.24%	81
Arapahoe	1.15%	87
Teller	1.03%	97
Pueblo	0.98%	102
Douglas	0.85%	118
Grand	0.75%	134
Clear Creek	0.72%	139
El Paso	0.71%	140
Otero	0.66%	152
Jefferson	0.64%	157
Lincoln	0.57%	176
Larimer	0.55%	181
Washington	0.53%	188
Morgan	0.52%	191
Fremont	0.51%	196
Crowley	0.47%	214
Broomfield	0.44%	228
Gilpin	0.41%	245
Saguache	0.41%	247
Powers	0.39%	258
Huerfano	0.37%	274
San Juan	0.36%	275
Summit	0.34%	298
Philips	0.33%	305
Boulder	0.29%	351
Alamosa	0.28%	361
Cheyenne	0.27%	373
Logan	0.25%	393

Counties	2008 Foreclosure rate based on completed foreclosures	1 Completed Foreclosure sale per N households
Rio Grande	0.25%	397
Kit Carson	0.25%	405
Gunnison	0.24%	409
Delta	0.23%	426
Archuleta	0.23%	434
Yuma	0.21%	481
Eagle	0.18%	542
Jackson	0.16%	617
Lake	0.16%	623
Mesa	0.13%	756
San Miguel	0.11%	881
Ouray	0.11%	947
La Plata	0.10%	992
Sedgwick	0.09%	1,060
Las Animas	0.09%	1,093
Montezuma	0.09%	1,100
Routt	0.08%	1,327
Costilla	0.07%	1,455
Montrose	0.06%	1,582
Chaffee	0.05%	1,978
Conejos	0.04%	2,318
Garfield	0.02%	5,079
Moffat	0.02%	5,259