
Department of Local Affairs

Strengthening Colorado Communities

**Division of Housing
1st Quarter 2009 Foreclosure Report**

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

May 11, 2009

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 data reported by the Public Trustee's office of each county.

This report seeks to provide two essential pieces of information:

Foreclosure Filing Statistics:

The recording of the notice of election and demand (NED) is the event that begins the foreclosure process. In general, when a borrower is at least 3 months delinquent and in default, the lender will file an NED with the public trustee and the borrower will receive notice of the initial sale date. This notice will be sent from the public trustee's office in the county in which the property is located, and at this point, the property is 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. However, Public Trustee numbers are a useful indicator of the number of loans in a county who have become seriously delinquent, and they provide insights into the overall health of the real estate market within that county.

We should note that in addition to single-family homes, condominiums, and townhomes, NED statistics include filings on agricultural, industrial, commercial, and multifamily properties. Vacant land is included as well.

Foreclosure Sale Statistics: Approximately 110-125 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 110 days, but in some cases, this period may actually last much longer.

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

Study Findings

For the 1st quarter of 2009, Colorado public trustees reported 10,745 foreclosure filings and 4,354 sales at auction (completed foreclosures). For the same period of 2008, there were 11,634 filings and 5,899 sales. Comparing year-over-year for this period, we find foreclosure filings decreased 8 percent while sales decreased 26 percent.

Comparing the 1st quarter of 2009 to the 4th quarter of 2008, foreclosure filings increased 13 percent from 9,481 to 10,745. Foreclosure sales fell 14 percent from 5,041 to 4,354.

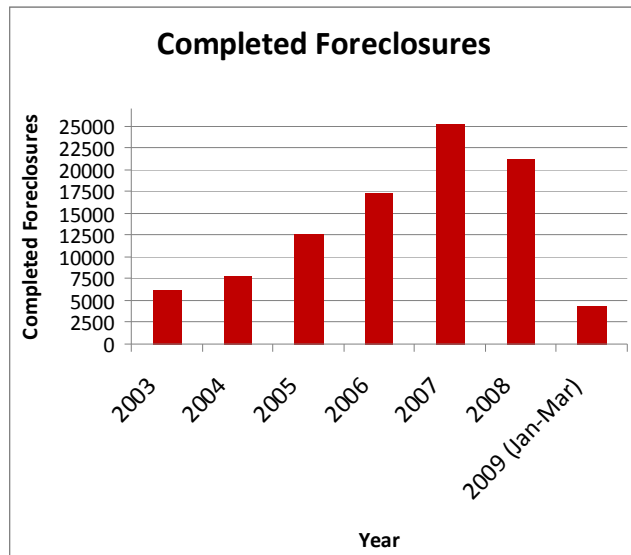
Table 1: Foreclosure Filings

Year	Foreclosure Filings
2003	13,573
2004	16,801
2005	21,782
2006	28,435
2007	39,915
2008	39,307
2009 (January-March)	10,745

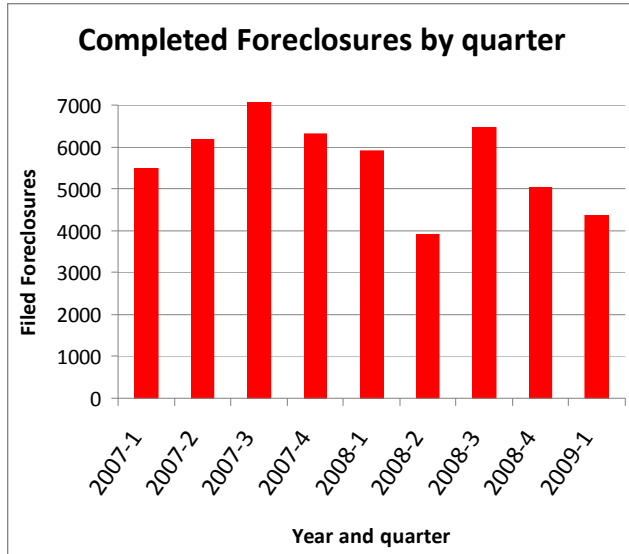
Table 2: Foreclosure Sales at Auction

Year	Foreclosure Sales
2003	6,258
2004	7,782
2005	12,699
2006	17,451
2007	25,054
2008	21,301
2009 (January-March)	4,354

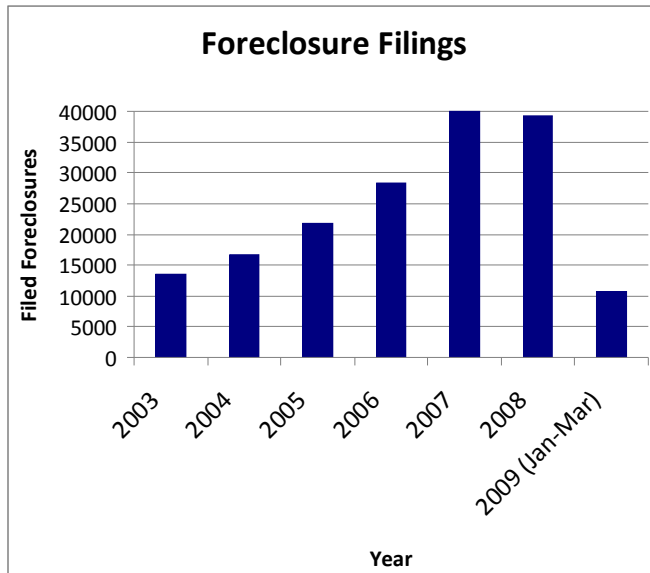
Graph 1: Completed foreclosures in Colorado



Graph 2: Completed foreclosures by quarter



Graph 3: Opened foreclosures in Colorado



Graph 4: Opened foreclosures by quarter



Completed foreclosures continue to fall, and have fallen quarter-over-quarter for the past three quarters. At 4,354, the total number of completed foreclosures is the lowest 1st quarter total since 2007.

New foreclosure filings are on pace to roughly equal totals for both 2007 and 2008. Completed foreclosures, however, have come in below 2007 quarterly totals since the 2nd quarter of 2008.

Completed foreclosures have fallen each quarter since the 3rd quarter of 2008, but new foreclosure filings have increased each quarter since the 3rd quarter of 2008.

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.

For the 1st quarter of 2009, Colorado public trustees reported 10,745 foreclosure filings and 4,354 sales at auction (completed foreclosures). For the same period of 2008, there were 11,634 filings and 5,899 sales. Comparing year-over-year for this period, we find foreclosure filings decreased 8 percent while sales decreased 26 percent.

These changes were not uniform throughout the state. As tables 3 and 4 show, changes in individual counties varied greatly:

Table 3: Year-over-year changes in 1st Q foreclosure sales in metropolitan counties

County	2008	2009	Year-over-year % change
Adams	935	628	-33%
Arapahoe	970	611	-37%
Boulder	134	100	-25%
Broomfield	35	22	-37%
Denver	1399	731	-48%
Douglas	320	219	-31%
El Paso	509	522	+3%
Jefferson	455	391	-14%
Larimer	228	174	-24%
Mesa	24	44	+83%
Pueblo	206	151	-27%
Weld	442	349	-21%

Table 4: Year-over-year changes in 1st Q foreclosure filings in metropolitan counties

County	2008	2009	Year-over-year % change
Adams	1704	1327	-22%
Arapahoe	1851	1334	-28%
Boulder	278	291	+5%
Broomfield	79	70	-11 %
Denver	2042	1524	-25%
Douglas	665	575	-14%
El Paso	1216	1292	+6%
Jefferson	1010	926	-8%
Larimer	487	536	+10%
Mesa	119	175	+47%
Pueblo	383	421	+10%
Weld	813	770	-5%

In general, completed foreclosures fell throughout the state. In all counties except El Paso and Mesa Counties, completed foreclosures fell.

El Paso County continues a trend of increasing foreclosure activity, although El Paso County has still not reached the very high foreclosure rates seen in Adams and Arapahoe Counties in recent years.

Mesa County reported a very large increase in completed foreclosures. This is likely due to a recent softening in the housing market in the Grand Junction area in response to diminished oil and gas development in the region. However, Mesa County's overall foreclosure rate remains very low.

Trends in new foreclosure filings were mixed. There has not been a sizable and general decline in new foreclosure filings in Colorado. Statewide, foreclosure filings rates remain more or less at 2007 and 2008 levels.

Adams, Arapahoe, and Denver Counties reported significant decreases in foreclosure filings, but Boulder, El Paso, Larimer, Mesa, and Pueblo all reported increases in foreclosure filings as compared to the first quarter of last year.

This continues an overall trend in declining foreclosure activity for counties that were most hard hit in 2006 and 2007. Adams, Denver, and Arapahoe Counties continue to report high foreclosure rates, but foreclosures have slowly fallen in recent quarters.

Foreclosure Rates

See table 6 at the end of this report for more information.

Differences in foreclosure rates between counties have changed little since 2007.

The most significant foreclosure activity is on the Front Range of Colorado. For example, the metropolitan counties with the largest number of completed foreclosures per household were Adams, Weld, Denver, and Arapahoe Counties. Among metropolitan counties, Adams and Weld Counties topped the list with 1 filing per 238 households and 1 filing per 245 households respectively. In Denver County, there was one completed foreclosure per 352 households, with Arapahoe and Pueblo Counties reporting 1 filing per 353 households and 1 per 396 households respectively.

Boulder County reported the lowest foreclosure rate in the Denver metro area with 1 completed foreclosure per 1157 households.

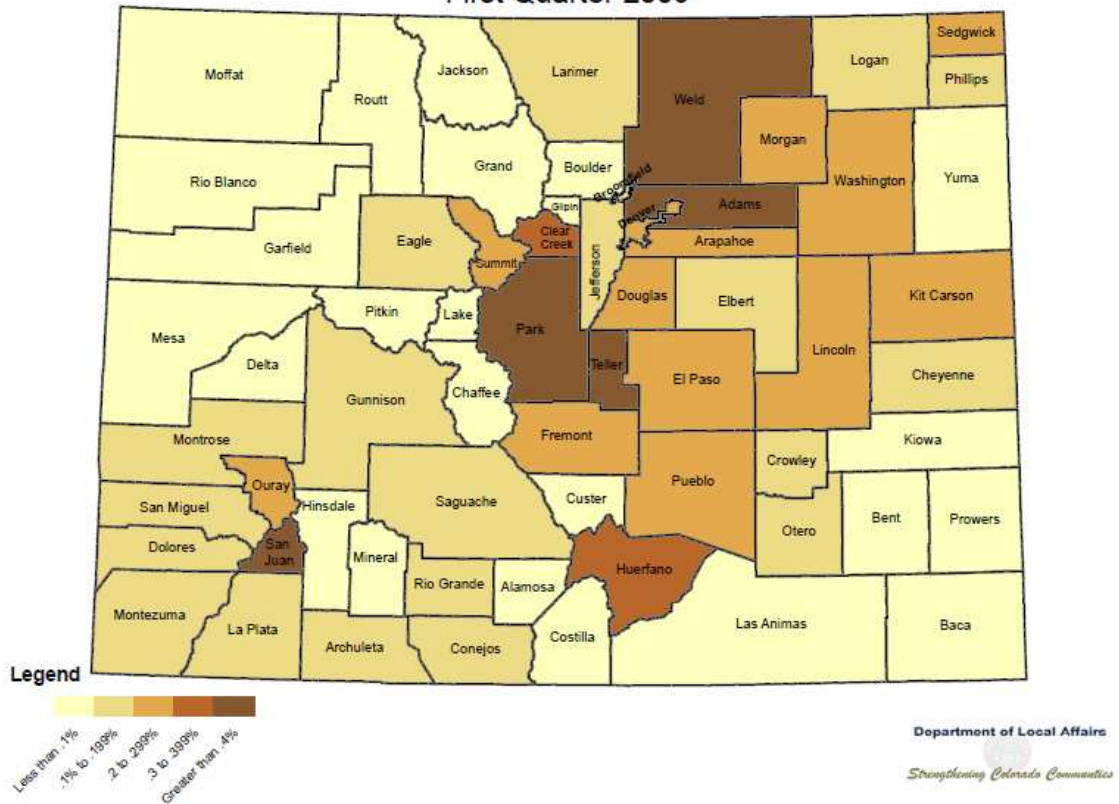
In the mountains and on the Western Slope, foreclosure rates were considerably lower. Mesa County reported one completed foreclosure for every 1,260 households, while Garfield County reported only one completed foreclosure for every 6,772 households.

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

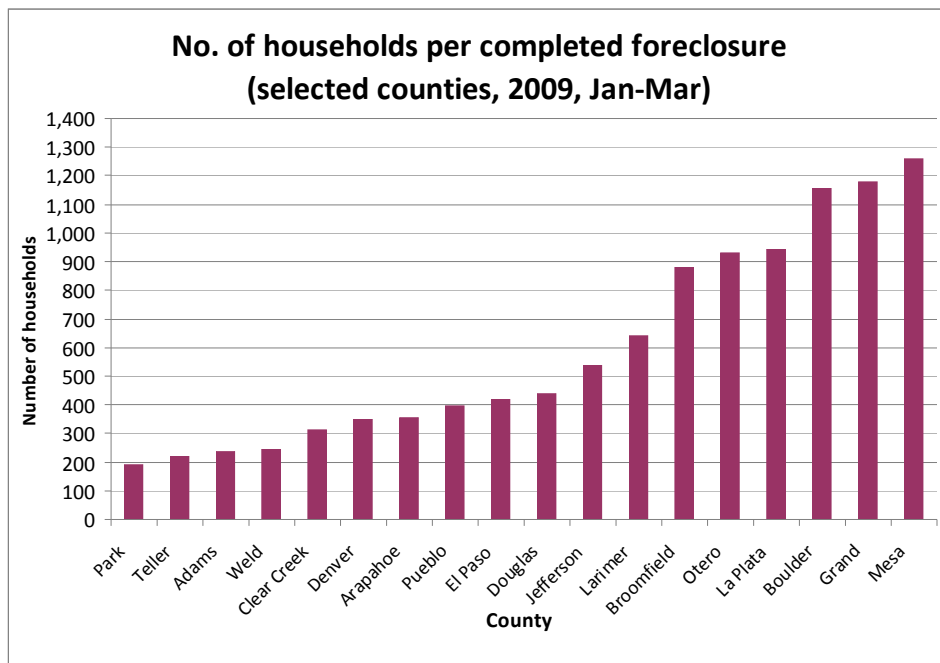
Statewide, there was approximately 1 completed foreclosure (sale) per 434 households during the first quarter of 2009. During the same period of 2008, there was 1 completed foreclosure for every 320 households.

Map 1: approximate completed foreclosure rates in Colorado Counties

Percentage of Occupied Households Completing Foreclosure
First Quarter 2009



Graph 5: Number of households per completed foreclosure. Higher numbers indicate a lower foreclosure rate.



Forecasts for 2009

The effects of the recession that began in December of 2007 are not necessarily evident in the number of completed foreclosures. However, the fact that new foreclosure filing totals have not fallen off may indicate that many homeowners are still missing payments.

We also know from data released by the national Mortgage Bankers Association that the number of home loans in Colorado that are at least 90-days delinquent continues to rise.

The fact that delinquencies are rising, and that new foreclosure filings are not decreasing from their elevated levels, indicates that there are still a number of risks to the for-sale residential real estate markets in Colorado.

Foreclosure filings are on pace to be roughly equal to 2007 and 2008 totals. If the current trend continues, Colorado will continue a two-year plateau in new foreclosure filings that has been more or less flat for the past eight quarters with the exception of the 3rd quarter of 2008.

Completed foreclosures however, are *not* on pace to match 2008 totals, and unless foreclosure activity increases significantly during the rest of 2009, it is unlikely that totals of completed foreclosures will match 2007's peak levels.

Preliminary April numbers show that new foreclosures have increased from March to April in several metropolitan counties, but the trend is not found in all metropolitan counties.

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

The per-household calculation for each county is based on 2007 (the most recent year available) 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 Carol Snyder, the Public Trustee of Adams County, Robert Sagel, the Public Trustee of Morgan County, and the Public Trustee Association, although neither Ms. Snyder, Mr. Sagel, nor the Association bear any responsibility for the conclusions and analysis contained in this summary.

Table 5: 2008, 2009 foreclosure statistics

Counties	2009	2009	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
	1st Q	1st Q	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL
	Filings	Sales	Filings	Filings	Filings	Filings	Filings	Sales	Q Sales	Q Sales	Q Sales	Sales
Adams	1,327	628	1,704	1,613	1,069	1,172	5,558	935	645	1013	836	3,429
Alamosa	17	5	9	22	9	17	57	5	2	9	7	23
Arapahoe	1,334	611	1,851	1,678	963	1,384	5,876	970	660	1003	743	3,376
Archuleta	45	8	35		29	31	95	2		17	19	38
Baca	5	1	2	0	0	2	4	0	0	0	0	0
Bent	8	0	3	2	2	5	12	0	0	0	2	2
Broomfield	70	22	79	73	58	63	273	35	22	33	31	121
Boulder	291	100	278	302	201	260	1041	134	86	137	112	469
Chaffee	18	5	14	10	10	11	45	0	2	3	4	9
Cheyenne	0	1			6	3	9			3	3	6
Clear Creek	30	13	30	32	14	28	104	8	11			
Conejos	10	4		4	8	3	15		0	2	2	4
Costilla	2	1	3	2	1	9	15			1	1	2
Crowley	6	2	7	1	5	7	20	2	2	3	3	10
Custer	8	0		3	9	5	17		0	0	1	1
Delta	38	11	32	23	33	32	120	9	5	15	7	36
Denver	1,524	731	2,042	1,805	979	1,386	6,212	1,399	776	1359	828	4,362
Dolores	3	1		3	1	2	6		0	0	0	0
Douglas	575	219	665	570	340	605	2180	320	207	287	255	1069
Eagle	82	20	33	46	41	59	179	8	6	21	20	55
Elbert	96	14	77	66	50	69	262	35	27	35	24	121
El Paso	1,292	522	1,216	1,315	869	1,197	4,597	509	372	675	613	2,169
Fremont	79	46	91	73	61	70	295	0	32	49	44	125
Garfield	54	3	34	23	25	26	108	0	2	2	6	10
Gilpin	17	1	24	14	10	24	72	0	2	7	2	11
Grand	55	5	38	45	41	49	173	9	9	26	17	61
Gunnison	33	10	13	20	13	35	81	1	1	13	10	25
Hinsdale	2	0	0	0	3		3	0	0	0		0
Huerfano	16	11	16	12	15	9	52	8		3	15	26
Jackson	0	0	3	1	1	0	5	0	1	0	1	2
Jefferson	926	391	1010	1045	713	901	3669	455	316	563	420	1754
Kiowa	1	0	0	0	0	0	0	0	0	0	0	0
Kit Carson	9	6	14		5	6	25	3		4	3	10
La Plata	64	21	23	44	30	51	148	7	5	8	6	26
Lake	5	2	6	11	10	4	31	1	2	2	2	7
Larimer	536	174	487	433	346	378	1644	228	145	242	176	791
Las Animas	18	4	30		17	23	70	0		6	11	17
Lincoln	4	4	19	7	2	4	32	0	8	3	6	17
Logan	21	8	18	9	16	19	62	9	2	9	11	31

Counties	09	09	08	08	08	08	08	08	08	08	08	08
	1st Q Filings	1st Q Sales	1st Q Filings	2nd Q Filings	3rd Q Filings	4th Q Filings	TOTAL Filings	1st Q Sales	2nd Q Sales	3rd Q Sales	4th Q Sales	TOTAL Sales
Mesa	175	44	119	108	116	126	469	24	18	32	37	111
Mineral	2	0	1	0	1	2	4	0	0	0	0	0
Moffat	20	2		10		15	25	1	1	1	1	4
Montezuma	27	14	13	18	21	23	75	8	1	2	7	18
Montrose	54	16	36	40	43	40	159	0	10	10	19	39
Morgan	53	20	43	36	34	26	139	21	11	20	18	70
Otero	262	8	37	23	24	11	95	23	6	20	14	63
Ouray	17	5	1	0	1	8	10	0	0	2	0	2
Park	68	36	78	64	55	68	265	25	25	42	37	129
Philips	1	2	5	5	3	2	15	2	2	2	4	10
Pitkin	7	2	9	11	3	12	35	0	0	4	1	5
Prowers	8	3	13	7	6	7	33	8	5	6	4	23
Pueblo	421	151	383	332	258	338	1311	206	168	210	173	757
Rio Blanco	5	0	2	3	2	4	11	0	0	0	0	0
Rio Grande	15	5	15	15	19	8	57	5	1	6	11	23
Routt	32	9	14	16	10	13	53	3	2	2	4	11
Saguache	11	3	5	6	11	8	30	7	0	4	0	11
San Juan	1	2	1	3	1	1	6	0	0	1	0	1
San Miguel	22	6	6	6	5	14	31	1	1	2	0	4
Sedgwick	1	3	2	2	2	6	12	0	1	1	1	3
Summit	55	23	46	51	48	48	193	0	6	32	20	58
Teller	81	40	74	82	46	71	273	25	21	46	35	127
Washington	6	4	3	2	4	4	13	4	3	3	0	10
Weld	770	349	813	781	560	670	2,824	442	273	436	404	1,555
Yuma	10	2	9	5	7	7	28	2	2	4	4	12
Totals	10,745	4,354	11,634	10,933	7,285	9,481	39,333	5,899	3,905	6,461	5,041	21,306

Table 6: Foreclosure rates

Counties	2008 1st Q Sales	Percent of occupied households completing foreclosure (estimate)	Number of households per completed foreclosure
Bent	0	n/a	n/a
Custer	0	n/a	n/a
Hinsdale	0	n/a	n/a
Jackson	0	n/a	n/a
Kiowa	0	n/a	n/a
Mineral	0	n/a	n/a
Rio Blanco	0	n/a	n/a
San Juan	2	0.00727	137.5
Park	36	0.00519	192.6
Teller	40	0.00449	222.4
Adams	628	0.00421	237.5
Weld	349	0.00407	245.2
Huerfano	11	0.00365	273.9
Clear Creek	13	0.0032	311.6
Fremont	46	0.00289	345.9
Denver	731	0.00283	352.3
Arapahoe	611	0.00283	352.5
Sedgwick	3	0.00283	353.3
Ouray	5	0.00263	378.8
Pueblo	151	0.00252	396.3
El Paso	522	0.00239	418.2
Douglas	219	0.00228	436.7
Washington	4	0.00213	468.7
Kit Carson	6	0.00211	472.5
Lincoln	4	0.00206	483.2
Summit	23	0.00203	492.6
Morgan	20	0.00201	496.75
Jefferson	391	0.00186	536.7
Elbert	14	0.00178	560.9
San Miguel	6	0.0017	587.1
Gunnison	10	0.00136	613.7
Archuleta	8	0.00157	635.6
Larimer	174	0.00155	641.4
Montezuma	14	0.00141	707.1
Crowley	2	0.00133	747.5
Conejos	4	0.00129	774
Cheyenne	1	0.00127	787
Dolores	1	0.0012	827
Broomfield	22	0.00113	879.5

Saguache	3	0.0011	905.3
Philips	2	0.00109	914
Otero	8	0.00107	931.25
La Plata	21	0.00108	944.5
Eagle	20	0.001053	949.25
Rio Grande	5	0.00104	953.6
Logan	8	0.00101	982.8
Montrose	16	0.00101	988.8
Routt	9	0.000107	1032.1
Delta	11	0.00089	1123.2
Alamosa	5	0.000865	1155.2
Boulder	100	0.000864	1156.5
Grand	5	0.000864	1180.8
Mesa	44	0.000793	1260.1
Chaffee	5	0.000726	1376
Costilla	1	0.000687	1455
Lake	2	0.000642	1557
Prowers	3	0.000611	1635.6
Las Animas	4	0.000609	1639.7
Baca	1	0.000568	1759
Yuma	2	0.00052	1923
Gilpin	1	0.000454	2202
Moffat	2	0.00038	2629.5
Pitkin	2	0.000262	3806
Garfield	3	0.000147	6772
Totals	4,351		