



Division of Housing 1st Quarter 2014 Foreclosure Report

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

June 4, 2014

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.

During the 2009 legislative session, the legislature passed, and the governor signed, House Bill 1197 which mandates that the foreclosure totals contained in this report be considered the official foreclosure statistics of the state of Colorado. The legislation also required that statistics on cures now be included and that Public Trustees submit the required information to the Division of Housing.

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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 that 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 (unless the property is sold at auction for more than the value of the loan) does not allow for the borrower to preserve any of the equity he or she might still have in that property.

Study Findings

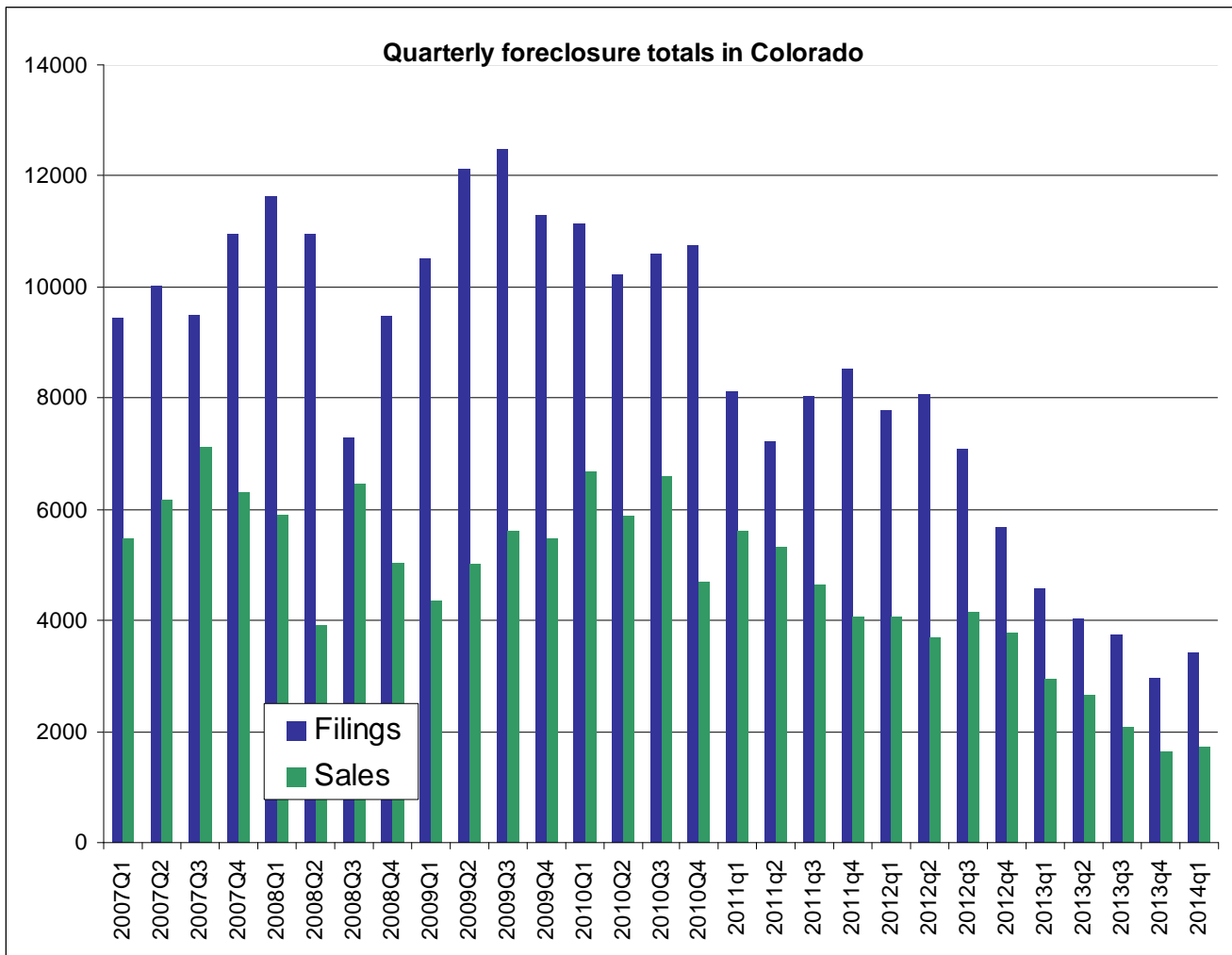
During the first quarter of 2014, Colorado public trustees reported 3,441 foreclosure filings and 1,718 sales at auction (completed foreclosures). During the first quarter of 2013, there were 4,571 filings and 2,935 sales. Comparing year-over-year for the first quarter, foreclosure filings fell 24.7 percent and completed foreclosures fell 41.5 percent.

Comparing the first quarter of 2014 to the fourth quarter of 2013, foreclosure filings rose 15.4 percent from 2,981 to 3,441. Foreclosure sales rose 4.1 percent from 1,650 to 1,718 during the same period.

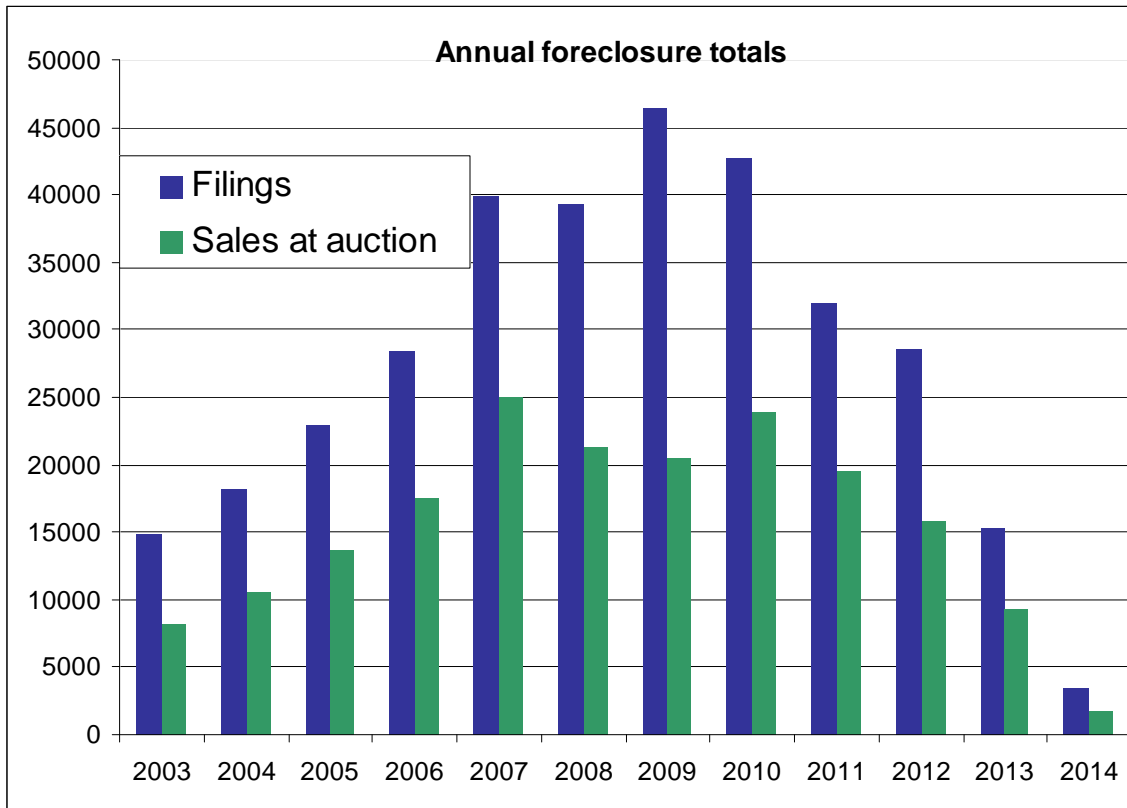
During the first quarter of 2014, foreclosure filings and sales both showed increases over 2013's fourth-quarter rate, but totals overall remained well below totals that have been typical since 2007.

Below is a time series showing quarterly totals in foreclosure filings and sales. The large dip in sales shown during the second quarter of 2008 can be attributed to a change in the foreclosure time line that took effect on January 1, 2008 and led to a large temporary dip in the number of foreclosure sales during March, April, and May of that year. During the fourth quarter of 2013, both foreclosure filings and sales hit the lowest level recorded since the survey was begun in 2007.

Graph 1: Quarterly Foreclosure Filings vs. Sales at Auction:



Graph 2: Annual Foreclosure Totals (2014 is YTD):



Note: Annual totals are available since 2003, but quarterly totals are only available since 2007.

Table 1: Foreclosure Filings

Year	Foreclosure Filings
2003	14,858
2004	18,127
2005	22,894
2006	28,435
2007	39,920
2008	39,333
2009	46,394
2010	42,692
2011	31,975
2012	28,579
2013	15,333
2014 (Jan-Mar)	3,441

Table 2: Foreclosure Sales at Auction

Year	Foreclosure Sales
2003	8,239
2004	10,566
2005	13,642
2006	17,451
2007	25,054
2008	21,306
2009	20,437
2010	23,891
2011	19,617
2012	15,903
2013	9,318
2014 (Jan-Mar)	1,718

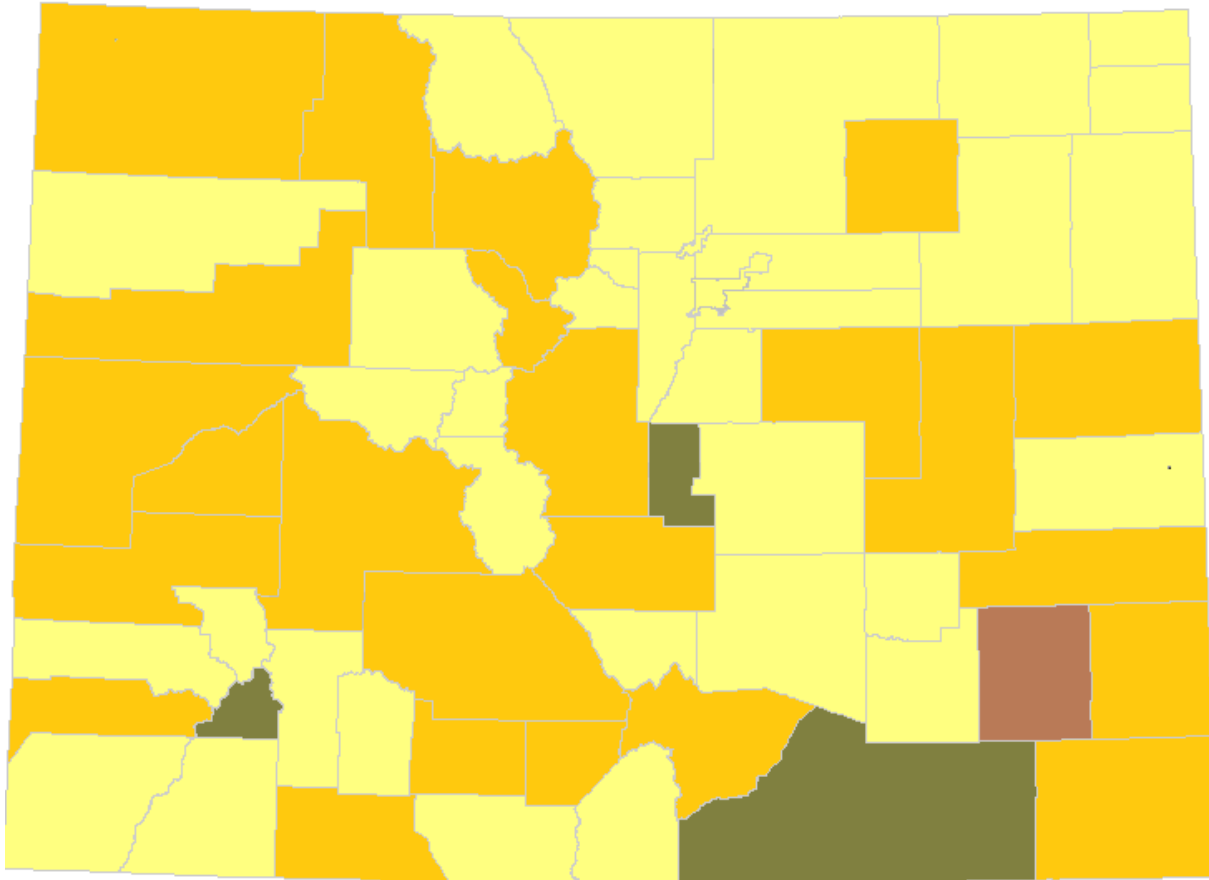
County Statistics

Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 82 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure activity in Colorado, indicating that foreclosure activity outside the metropolitan areas has become relatively more common.

Aggregate statewide totals and trends do not necessarily reflect changes in foreclosure totals at the county level as county-level changes were not uniform throughout the state.

The map below shows foreclosure rates in each county. Categories reflect proportions of households completing the foreclosure process.

Map 1: Foreclosure rates in Colorado counties, 1st Quarter 2014



Foreclosure rates are split into 4 categories: 1. (burgundy) More than 0.5 percent of all households. 2. (green) From .25 up to and including .50 percent of all households. 3. (orange) From 0.1 up to and including 0.25 percent of all households. 4. (yellow) 0.1 percent, or less, of all households.

Rates of foreclosure for each county are listed in Table 3 of the appendix.

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 1,141 households for the first quarter of 2014. The map shows that there are few hot spots for foreclosure left in Colorado, and those that remain, such as Bent County, are small markets where foreclosure rates can move up and down quickly.

Mesa County was the only metropolitan county found among the counties with the top ten foreclosure rates. Most of the counties in the top ten were mountain and rural counties including Teller, Las Animas, and Delta counties.

Mesa and El Paso counties reported the highest foreclosure rates of the metropolitan counties. Mesa County reported a foreclosure rate of one foreclosure per 408 households while El Paso County reported a rate of 1 foreclosure per 969 households. See Table 3 for full listing.

Boulder County reported the lowest foreclosure rate among metropolitan counties with 1 completed foreclosure per 3,853 households.

It is important to note that counties with small populations are also prone to very volatile foreclosure rates as a small rise or fall in the total number of foreclosures can significantly change the foreclosure rate in a small county for a quarter.

Future Outlook

Foreclosure activity decreased significantly during 2013 and brought Colorado to the lowest foreclosure levels experienced since 2004. If the first quarter's current foreclosure trends persist in 2014, 2014 will look similar to 2013 in terms of foreclosure activity. This will mean that foreclosure totals in 2014 would remain near a 10-year low.

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 2012 (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. Owner-occupant totals are only available for a minority of Colorado counties, so for purposes of consistency across all counties, occupied housing unit totals are used.

The Colorado Division of Housing wishes to acknowledge the invaluable assistance of Carol Snyder, the former 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 any errors or for the conclusions and analysis contained in this summary.

Appendices

Table 3: Foreclosure rates based on the number of occupied housing units per completed foreclosure and percentage of all occupied housing units. 2012 household numbers are the most recent available.

County	Households (2012 Estimates)	2013 2nd Q Foreclosure Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Bent	1,744	23	1.32%	76
San Juan	335	1	0.30%	335
Teller	9,841	26	0.26%	379
Las Animas	6,158	16	0.26%	385
Mesa	58,375	143	0.24%	408
Delta	12,521	29	0.23%	432
Montrose	16,288	35	0.21%	465
Gunnison	6,566	14	0.21%	469
Fremont	16,680	34	0.20%	491
Moffat	5,208	10	0.19%	521
Garfield	20,637	39	0.19%	529
Park	7,110	13	0.18%	547
Routt	9,776	17	0.17%	575
Archuleta	5,293	9	0.17%	588
Alamosa	6,074	10	0.16%	607
Kiowa	625	1	0.16%	625
Lincoln	1,934	3	0.16%	645
Saguache	2,763	4	0.14%	691
Prowers	4,878	7	0.14%	697
Morgan	10,311	14	0.14%	737
Huerfano	3,059	4	0.13%	765
Kit Carson	3,067	4	0.13%	767
Elbert	8,454	11	0.13%	769
Grand	6,153	8	0.13%	769
Baca	1,659	2	0.12%	830
Dolores	871	1	0.11%	871
Summit	11,826	13	0.11%	910
Rio Grande	4,746	5	0.11%	949
Washington	1,933	2	0.10%	967
El Paso	245,223	253	0.10%	969
Logan	7,989	8	0.10%	999
Adams	160,058	159	0.10%	1007
Montezuma	10,488	10	0.10%	1049

Eagle	19,130	17	0.09%	1125
Pueblo	63,675	53	0.08%	1201
Weld	93,286	76	0.08%	1227
Crowley	1,274	1	0.08%	1274
Otero	7,663	6	0.08%	1277
Rio Blanco	2,686	2	0.07%	1343
Arapahoe	232,959	168	0.07%	1387
Clear Creek	4,170	3	0.07%	1390
La Plata	21,546	15	0.07%	1436
Lake	2,947	2	0.07%	1474
Pitkin	8,175	5	0.06%	1635
Jefferson	223,195	135	0.06%	1653
Philips	1,801	1	0.06%	1801
Douglas	106,541	59	0.06%	1806
Denver	278,571	146	0.05%	1908
Custer	1,915	1	0.05%	1915
Ouray	2,034	1	0.05%	2034
Broomfield	22,351	10	0.04%	2235
Larimer	124,784	54	0.04%	2311
Gilpin	2,471	1	0.04%	2471
Boulder	123,281	32	0.03%	3853
Yuma	3,944	1	0.03%	3944
Chaffee	7,696	1	0.01%	7696
Cheyenne	810	0	0.00%	n/a
Conejos	3,105	0	0.00%	n/a
Costilla	1,582	0	0.00%	n/a
Hinsdale	337	0	0.00%	n/a
Jackson	618	0	0.00%	n/a
Mineral	353	0	0.00%	n/a
San Miguel	3,559	0	0.00%	n/a
Sedgwick	1,081	0	0.00%	n/a
Total	1,959,730	1718	0.09%	1141

Table 4: Percent change in year-over-year foreclosure filings and sales:

Counties	2013 Q1 Filings	2014 Q1 Filings	YOY change	2013 Q1 Sales	2014 Q1 Sales	YOY change
Adams	476	370	-22.3	276	159	-42.4
Alamosa	10	8	-20.0	8	10	25.0
Arapahoe	524	410	-21.8	323	168	-48.0
Archuleta	15	9	-40.0	22	9	-59.1
Baca	0	0	n/a	2	2	0.0
Bent	2	7	250.0	2	23	1050.0
Boulder	124	84	-32.3	68	32	-52.9
Broomfield	41	16	-61.0	18	10	-44.4
Chaffee	6	8	33.3	6	1	-83.3
Cheyenne	0	0	n/a	1	0	-100.0
Clear Creek	17	7	-58.8	6	3	-50.0
Conejos	10	1	-90.0	3	0	-100.0
Costilla	5	4	-20.0	0	0	n/a
Crowley	8	3	-62.5	2	1	-50.0
Custer	1	4	300.0	8	1	-87.5
Delta	33	32	-3.0	40	29	-27.5
Denver	480	298	-37.9	239	146	-38.9
Dolores	1	1	0.0	1	1	0.0
Douglas	220	123	-44.1	124	59	-52.4
Eagle	69	32	-53.6	52	17	-67.3
Elbert	28	16	-42.9	17	11	-35.3
El Paso	549	584	6.4	412	253	-38.6
Fremont	75	71	-5.3	46	34	-26.1
Garfield	94	46	-51.1	61	39	-36.1
Gilpin	7	5	-28.6	12	1	-91.7
Grand	28	17	-39.3	21	8	-61.9
Gunnison	17	11	-35.3	12	14	16.7
Hinsdale	1	3	200.0	1	0	-100.0
Huerfano	12	5	-58.3	7	4	-42.9
Jackson	0	0	n/a	0	0	n/a
Jefferson	429	310	-27.7	219	135	-38.4
Kiowa	0	1	n/a	0	1	n/a
Kit Carson	4	3	-25.0	3	4	33.3
La Plata	30	17	-43.3	26	15	-42.3
Lake	12	5	-58.3	7	2	-71.4
Larimer	182	116	-36.3	123	54	-56.1
Las Animas	32	14	-56.3	19	16	-15.8
Lincoln	2	1	-50.0	5	3	-40.0
Logan	11	19	72.7	13	8	-38.5
Mesa	182	147	-19.2	161	143	-11.2
Mineral	0	0	n/a	0	0	n/a
Moffat	26	15	-42.3	6	10	66.7
Montezuma	20	13	-35.0	18	10	-44.4
Montrose	52	30	-42.3	39	35	-10.3

Morgan	21	14	-33.3		13	14	7.7
Otero	23	25	8.7		12	6	-50.0
Ouray	2	0	-100.0		5	1	-80.0
Park	36	21	-41.7		23	13	-43.5
Philips	5	2	-60.0		1	1	0.0
Pitkin	19	7	-63.2		16	5	-68.8
Prowers	11	8	-27.3		3	7	133.3
Pueblo	201	190	-5.5		156	53	-66.0
Rio Blanco	4	5	25.0		6	2	-66.7
Rio Grande	11	8	-27.3		7	5	-28.6
Routt	38	18	-52.6		30	17	-43.3
Saguache	7	5	-28.6		3	4	33.3
San Juan	1	1	0.0		1	1	0.0
San Miguel	15	7	-53.3		10	0	-100.0
Sedgwick	1	3	200.0		1	0	-100.0
Summit	46	28	-39.1		25	13	-48.0
Teller	23	21	-8.7		18	26	44.4
Washington	4	1	-75.0		4	2	-50.0
Weld	261	204	-21.8		169	76	-55.0
Yuma	7	7	0.0		3	1	-66.7
Totals	4571	3441	-24.7		2935	1718	-41.5

Table 5: Percent change from 4th Q 2013 to 1st Q 2014:

Counties	2013 Q4 Filings	2014 Q1 Filings	Percent Change		2013 Q4 Sales	2014 Q1 Sales	Percent Change
Adams	272	370	36.0		172	159	-7.6
Alamosa	18	8	-55.6		0	10	n/a
Arapahoe	249	410	64.7		147	168	14.3
Archuleta	15	9	-40.0		18	9	-50.0
Baca	1	0	-100.0		0	2	n/a
Bent	3	7	133.3		22	23	4.5
Boulder	57	84	47.4		30	32	6.7
Broomfield	25	16	-36.0		6	10	66.7
Chaffee	6	8	33.3		3	1	-66.7
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	6	7	16.7		2	3	50.0
Conejos	4	1	-75.0		2	0	-100.0
Costilla	3	4	33.3		3	0	-100.0
Crowley	3	3	0.0		4	1	-75.0
Custer	3	4	33.3		2	1	-50.0
Delta	30	32	6.7		22	29	31.8
Denver	311	298	-4.2		169	146	-13.6
Dolores	3	1	-66.7		2	1	-50.0
Douglas	176	123	-30.1		66	59	-10.6
Eagle	42	32	-23.8		22	17	-22.7
Elbert	20	16	-20.0		16	11	-31.3
El Paso	354	584	65.0		177	253	42.9
Fremont	42	71	69.0		26	34	30.8
Garfield	61	46	-24.6		37	39	5.4
Gilpin	3	5	66.7		1	1	0.0
Grand	21	17	-19.0		11	8	-27.3
Gunnison	19	11	-42.1		14	14	0.0
Hinsdale	0	3	n/a		0	0	n/a
Huerfano	7	5	-28.6		4	4	0.0
Jackson	1	0	-100.0		0	0	n/a
Jefferson	216	310	43.5		113	135	19.5
Kiowa	0	1	n/a		1	1	0.0
Kit Carson	2	3	50.0		3	4	33.3
La Plata	22	17	-22.7		15	15	0.0
Lake	5	5	0.0		1	2	100.0
Larimer	100	116	16.0		41	54	31.7
Las Animas	28	14	-50.0		10	16	60.0
Lincoln	0	1	n/a		0	3	n/a
Logan	11	19	72.7		4	8	100.0
Mesa	194	147	-24.2		131	143	9.2
Mineral	3	0	-100.0		1	0	-100.0
Moffat	21	15	-28.6		11	10	-9.1

Montezuma	19	13	-31.6		6	10	66.7
Montrose	43	30	-30.2		24	35	45.8
Morgan	16	14	-12.5		7	14	100.0
Otero	11	25	127.3		13	6	-53.8
Ouray	5	0	-100.0		2	1	-50.0
Park	22	21	-4.5		23	13	-43.5
Philips	2	2	0.0		0	1	n/a
Pitkin	15	7	-53.3		7	5	-28.6
Prowers	6	8	33.3		2	7	250.0
Pueblo	232	190	-18.1		122	53	-56.6
Rio Blanco	5	5	0.0		4	2	-50.0
Rio Grande	12	8	-33.3		9	5	-44.4
Routt	30	18	-40.0		9	17	88.9
Saguache	8	5	-37.5		3	4	33.3
San Juan	0	1	n/a		0	1	n/a
San Miguel	6	7	16.7		2	0	-100.0
Sedgwick	2	3	50.0		1	0	-100.0
Summit	32	28	-12.5		10	13	30.0
Teller	36	21	-41.7		19	26	36.8
Washington	3	1	-66.7		1	2	100.0
Weld	115	204	77.4		74	76	2.7
Yuma	4	7	75.0		3	1	-66.7
Totals	2981	3441	15.4		1650	1718	4.1

Table 6: Foreclosure totals in each county for past 5 quarters:

Counties	2013 1st Q Filings	2013 2ndQ Filings	2013 3rdQ Filings	2013 4thQ Filings	2014 1st Q Filings		2013 1st Q Sales	2013 2nd Q Sales	2013 3rd Q Sales	2013 4th Q Sales	2014 1st Q Sales
Adams	476	472	416	272	370		276	292	223	172	159
Alamosa	10	6	6	18	8		8	3	3	0	10
Arapahoe	524	503	424	249	410		323	291	238	147	168
Archuleta	15	17	14	15	9		22	14	12	18	9
Baca	0	2	3	1	0		2	0	1	0	2
Bent	2	9	2	3	7		2	4	4	22	23
Boulder	124	111	97	57	84		68	71	32	30	32
Broomfield	41	28	15	25	16		18	11	17	6	10
Chaffee	6	12	5	6	8		6	10	5	3	1
Cheyenne	0	0	0	0	0		1	1	0	0	0
Clear Creek	17	13	11	6	7		6	9	8	2	3
Conejos	10	2	0	4	1		3	3	4	2	0
Costilla	5	4	3	3	4		0	0	0	3	0
Crowley	8	4	3	3	3		2	5	1	4	1
Custer	1	5	2	3	4		8	2	1	2	1
Delta	33	34	39	30	32		40	32	33	22	29
Denver	480	377	448	311	298		239	215	183	169	146
Dolores	1	1	2	3	1		1	1	2	2	1
Douglas	220	198	166	176	123		124	90	64	66	59
Eagle	69	44	53	42	32		52	32	28	22	17
Elbert	28	16	26	20	16		17	16	8	16	11
El Paso	549	500	458	354	584		412	362	247	177	253
Fremont	75	39	45	42	71		46	55	31	26	34
Garfield	94	80	55	61	46		61	45	53	37	39
Gilpin	7	12	7	3	5		12	4	6	1	1
Grand	28	16	14	21	17		21	11	24	11	8
Gunnison	17	17	18	19	11		12	19	7	14	14
Hinsdale	1	1	1	0	3		1	1	1	0	0
Huerfano	12	6	7	7	5		7	13	4	4	4
Jackson	0	0	0	1	0		0	0	0	0	0
Jefferson	429	354	304	216	310		219	206	173	113	135
Kiowa	0	1	1	0	1		0	0	0	1	1
Kit Carson	4	2	5	2	3		3	2	1	3	4

La Plata	30	43	33	22	17		26	15	17	15	15
Lake	12	4	4	5	5		7	7	3	1	2
Larimer	182	136	139	100	116		123	68	63	41	54
Las Animas	32	13	13	28	14		19	23	15	10	16
Lincoln	2	3	3	0	1		5	6	6	0	3
Logan	11	12	14	11	19		13	10	8	4	8
Mesa	182	198	207	194	147		161	168	104	131	143
Mineral	0	0	1	3	0		0	0	0	1	0
Moffat	26	15	9	21	15		6	12	14	11	10
Montezuma	20	17	16	19	13		18	9	9	6	10
Montrose	52	49	42	43	30		39	30	24	24	35
Morgan	21	17	20	16	14		13	13	10	7	14
Otero	23	11	13	11	25		12	12	9	13	6
Ouray	2	7	4	5	0		5	3	4	2	1
Park	36	25	29	22	21		23	18	21	23	13
Philips	5	2	0	2	2		1	2	2	0	1
Pitkin	19	15	7	15	7		16	6	6	7	5
Prowers	11	6	1	6	8		3	6	4	2	7
Pueblo	201	199	203	232	190		156	155	144	122	53
Rio Blanco	4	8	5	5	5		6	2	3	4	2
Rio Grande	11	12	10	12	8		7	9	10	9	5
Routt	38	27	39	30	18		30	21	13	9	17
Saguache	7	4	2	8	5		3	5	9	3	4
San Juan	1	1	0	0	1		1	4	1	0	1
San Miguel	15	9	6	6	7		10	7	6	2	0
Sedgwick	1	6	2	2	3		1	0	4	1	0
Summit	46	36	22	32	28		25	35	15	10	13
Teller	23	28	36	36	21		18	22	16	19	26
Washington	4	3	2	3	1		4	2	1	1	2
Weld	261	230	214	115	204		169	163	119	74	76
Yuma	7	3	1	4	7		3	5	1	3	1
Totals	4571	4025	3747	2981	3441		2935	2658	2075	1650	1718