



# COLORADO

## Department of Local Affairs

Division of Housing

## 1st Quarter 2016 Foreclosure Report

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

June 21, 2016

### Summary and Methods

As part of an effort to provide information to the public and government agencies on economic trends in Colorado, the Division of Housing compiles quarterly totals on foreclosure activity in Colorado Counties. Data is collected from the public trustee in each county and published quarterly by the Division of Housing.

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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**

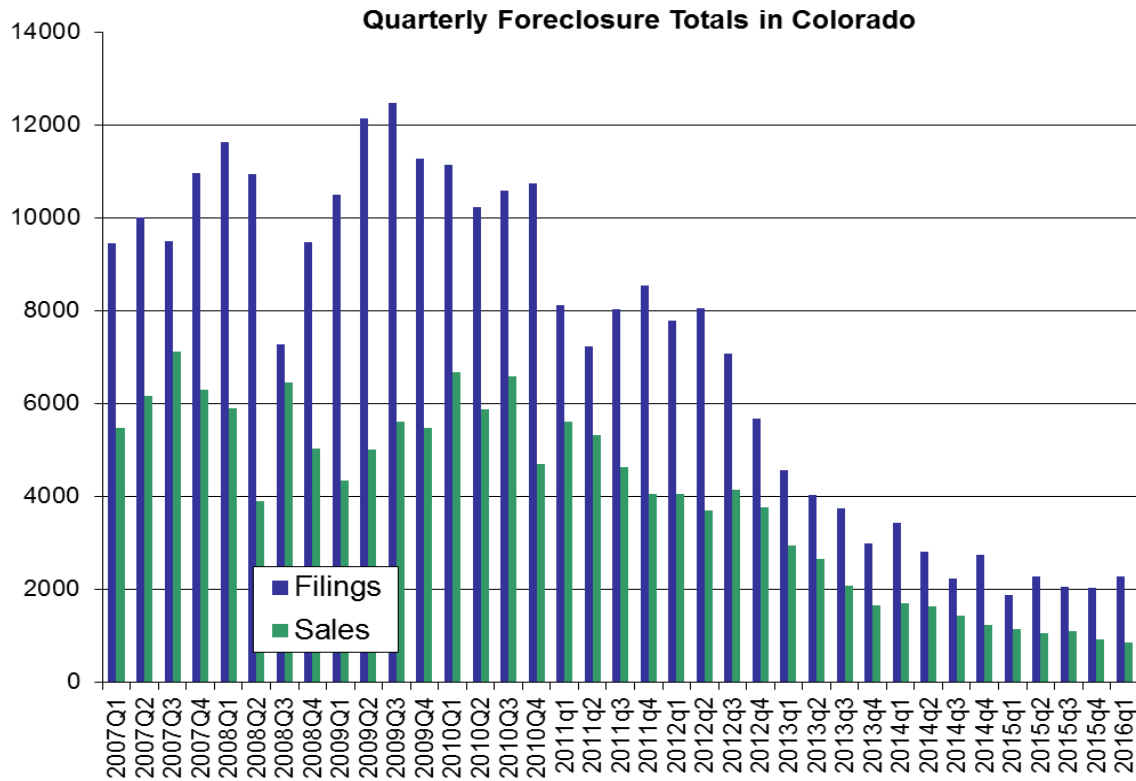
During the first quarter of 2016, Colorado public trustees reported 2,279 foreclosure filings and 861 sales at auction (completed foreclosures). During the first quarter of 2015, there were 1,872 filings and 1,145 sales. Comparing year-over-year for the first quarter, foreclosure filings rose 21.7 percent and completed foreclosures fell 24.8 percent.

Comparing the first quarter of 2016 to the fourth quarter of last year, foreclosure filings rose 12.3 percent from 2,029 to 2,279. Foreclosure sales fell 20.0 percent from 1,089 to 861 during the same period.

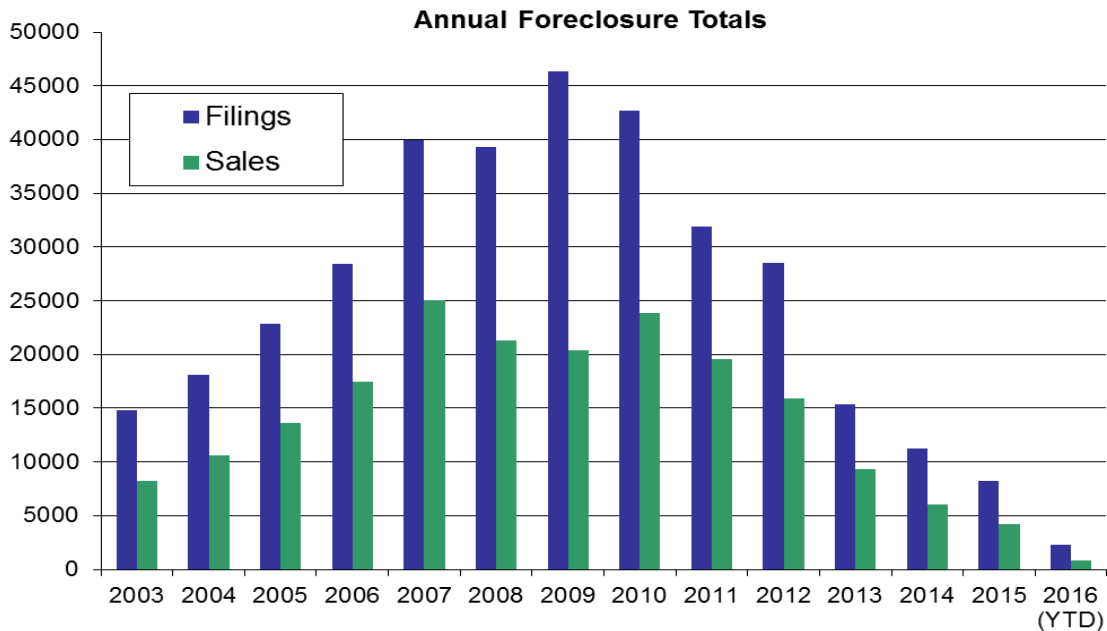
The foreclosure sales number reported for the first quarter of 2016 was the lowest sales number recorded since the Division of Housing began tracking quarterly foreclosure totals in 2007.

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. In recent quarters, foreclosure filings have stabilized and flattened, although foreclosure sales have continued to fall.

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



**Graph 2: Annual Foreclosure Totals (2016 is YTD):**



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

**Table 1: Foreclosure Filings**

<b>Year</b>	<b>Foreclosure Filings</b>
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	11,235
2015	8,241
2016 (January-March)	2,279

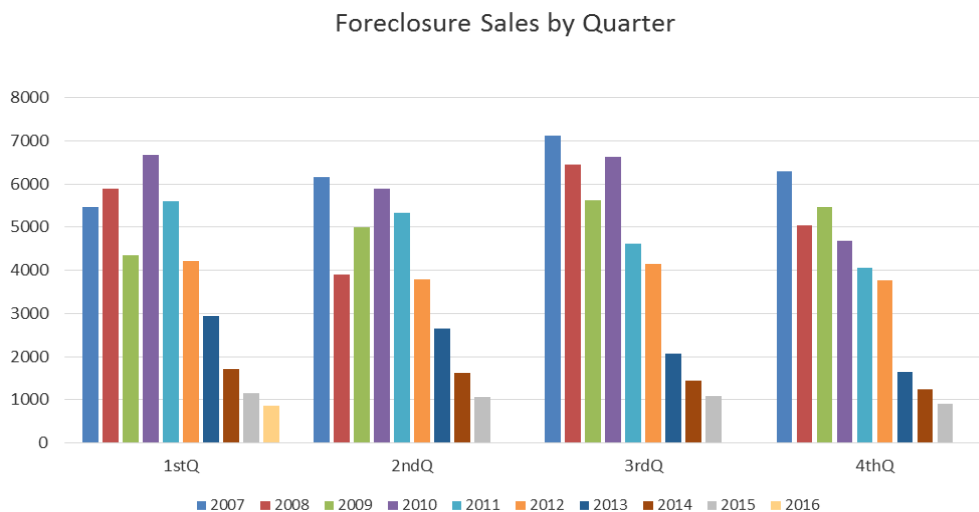
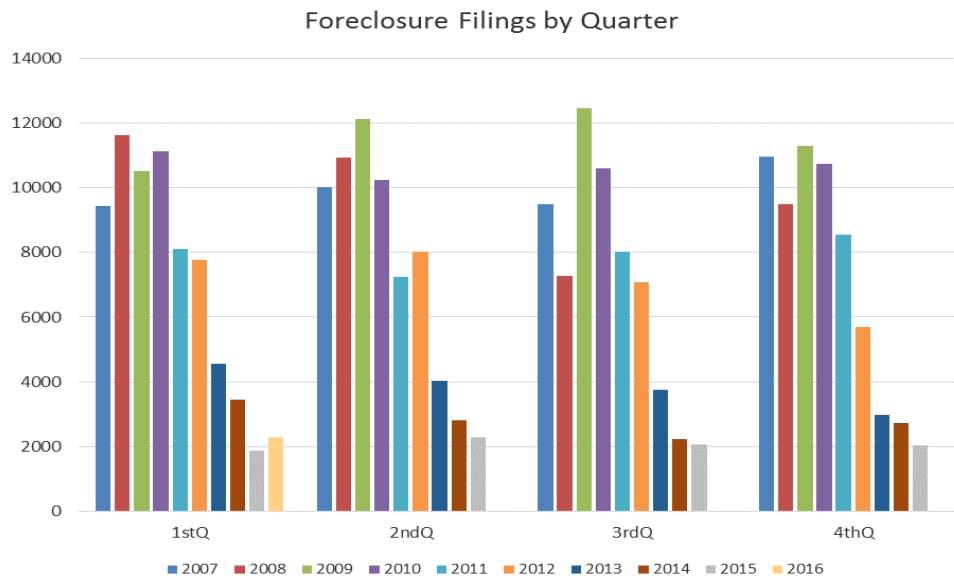
**Table 2: Foreclosure Sales at Auction**

<b>Year</b>	<b>Foreclosure Sales</b>
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	6,003
2015	4,209
2016 (January-March)	861

## Quarter-by-Quarter Analysis

There are not large seasonal changes in foreclosure activity in Colorado, although the third quarter tends to be the most active quarter for foreclosure sales in Colorado.

Since 2010, foreclosure sales at auction have declined in every quarter when compared to the same quarter a year earlier. For the first time in seven years, however, foreclosure filings increased when compared to the same quarter one year earlier:



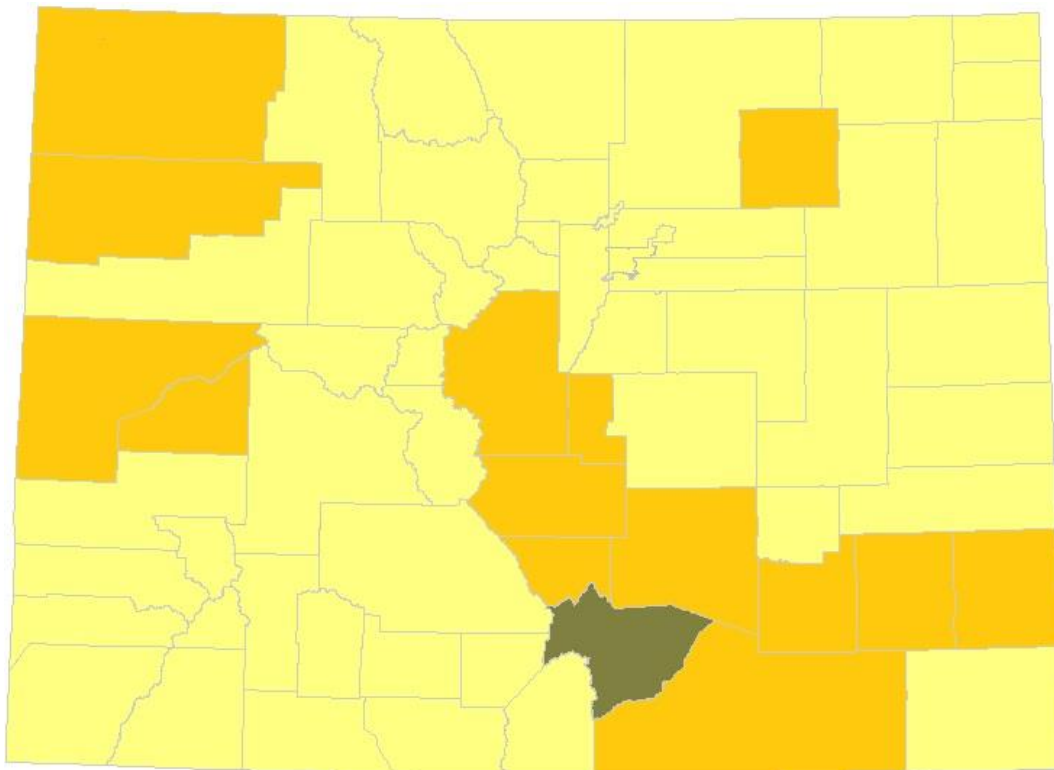
## County Statistics

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 in each county.

**Map 1: Foreclosure rates in Colorado Counties, 1st Quarter 2016**



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 2,400 households for the first quarter of 2016. The map shows that there are few hot spots for foreclosure left in

Colorado, and those that remain, such as Huerfano County, remain at level far below what was seen during the 2007-2010 period.

Only two metropolitan counties were found among the top ten counties for foreclosure sales rates: Pueblo and Mesa. Most of the counties in the top ten were mountain and rural counties including Rio Blanco, Las Animas, and Fremont counties. But, foreclosure activity in all counties remained small compared to levels seen from 2007-2010.

Pueblo and Mesa counties reported the highest foreclosure rates of the metropolitan counties. Pueblo County reported a foreclosure rate of one foreclosure per 709 households while Mesa County reported a rate of 1 foreclosure per 654 households. See Table 3 for full listing.

Summit County reported the lowest foreclosure rate among metropolitan counties with 1 completed foreclosure per 12,028 households.

### **Future Outlook**

Foreclosure activity decreased significantly during 2015, and brought Colorado to the lowest foreclosure levels experienced since 2004. So far, 2016 shows no signs of sizable growth in foreclosure activity, although year-over-year increases in foreclosure filings suggests observers should keep an eye on any increasing delinquency rates among homeowners. Foreclosure filings do not indicate an upward trend at this time, although the downward trend appears to have ended.

### **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 2013 (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. 2013 household numbers are the most recent available.

County	Households (2013 estimates)	2016 1st Q Foreclosure Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Huerfano	3,020	8	0.26%	378
Custer	1,943	4	0.21%	486
Rio Blanco	2,684	5	0.19%	537
Las Animas	5,916	11	0.19%	538
Teller	9,774	16	0.16%	611
Mesa	58,241	89	0.15%	654
Otero	7,609	11	0.14%	692
Pueblo	63,795	90	0.14%	709
Fremont	16,475	23	0.14%	716
Moffat	5,183	7	0.14%	740
Morgan	10,351	13	0.13%	796
Bent	1,690	2	0.12%	845
Delta	12,503	14	0.11%	893
Park	7,168	8	0.11%	896
Prowers	4,808	5	0.10%	962
Montrose	16,274	15	0.09%	1085
Rio Grande	4,680	4	0.09%	1170
Montezuma	10,590	9	0.08%	1177
Gilpin	2,527	2	0.08%	1264
Logan	7,905	6	0.08%	1318
El Paso	248,851	185	0.07%	1345
Elbert	8,596	6	0.07%	1433
Kit Carson	3,057	2	0.07%	1529
Costilla	1,542	1	0.06%	1542
Grand	6,219	4	0.06%	1555
Gunnison	6,575	4	0.06%	1644
Eagle	19,268	11	0.06%	1752
Philips	1,779	1	0.06%	1779
Garfield	20,709	11	0.05%	1883
Lincoln	1,930	1	0.05%	1930
Washington	1,961	1	0.05%	1961
Yuma	3,981	2	0.05%	1991
Ouray	2,065	1	0.05%	2065
La Plata	21,853	9	0.04%	2428
Chaffee	7,864	3	0.04%	2621



Archuleta	5,304	2	0.04%	2652
Saguache	2,693	1	0.04%	2693
Weld	95,363	35	0.04%	2725
Lake	2,947	1	0.03%	2947
Routt	9,868	3	0.03%	3289
Adams	163,191	47	0.03%	3472
San Miguel	3,589	1	0.03%	3589
Pitkin	8,258	2	0.02%	4129
Clear Creek	4,191	1	0.02%	4191
Douglas	109,365	24	0.02%	4557
Arapahoe	237,614	51	0.02%	4659
Larimer	126,864	27	0.02%	4699
Jefferson	225,279	30	0.01%	7509
Denver	285,044	35	0.01%	8144
Boulder	125,225	14	0.01%	8945
Broomfield	22,785	2	0.01%	11393
Summit	12,028	1	0.01%	12028
Conejos	3,107	0	0.00%	n/a
Crowley	1,241	0	0.00%	n/a
Jackson	630	0	0.00%	n/a
Mineral	359	0	0.00%	n/a
Alamosa	6,143	0	0.00%	n/a
Baca	1,630	0	0.00%	n/a
Cheyenne	809	0	0.00%	n/a
Dolores	876	0	0.00%	n/a
Hinsdale	344	0	0.00%	n/a
Kiowa	621	0	0.00%	n/a
San Juan	338	0	0.00%	n/a
Sedgwick	1,074	0	0.00%	n/a
Total	2,066,166	861	0.04%	2,400

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

Counties	2015 Q1 Filings	2016 Q1 Filings	Percent Change	2015 Q1 Sales	2016 Q1 Sales	Percent Change
Adams	184	213	15.8	90	47	-47.8
Alamosa	5	7	40.0	8	0	-100.0
Arapahoe	195	220	12.8	109	51	-53.2
Archuleta	10	6	-40.0	4	2	-50.0
Baca	1	1	0.0	1	0	-100.0
Bent	3	0	-100.0	3	2	-33.3
Boulder	51	63	23.5	19	14	-26.3
Broomfield	12	10	-16.7	3	2	-33.3
Chaffee	3	2	-33.3	3	3	0.0
Cheyenne	0	0	n/a	0	0	n/a
Clear Creek	4	4	0.0	5	1	-80.0
Conejos	1	1	0.0	1	0	-100.0
Costilla	2	2	0.0	1	1	0.0
Crowley	2	2	0.0	2	0	-100.0
Custer	5	2	-60.0	5	4	-20.0
Delta	24	33	37.5	20	14	-30.0
Denver	162	186	14.8	71	35	-50.7
Dolores	1	0	-100.0	1	0	-100.0
Douglas	74	76	2.7	33	24	-27.3
Eagle	21	27	28.6	10	11	10.0
Elbert	5	17	240.0	10	6	-40.0
El Paso	312	420	34.6	202	185	-8.4
Fremont	31	27	-12.9	30	23	-23.3
Garfield	20	25	25.0	23	11	-52.2
Gilpin	1	4	300.0	4	2	-50.0
Grand	13	6	-53.8	4	4	0.0
Gunnison	3	4	33.3	6	4	-33.3
Hinsdale	1	0	-100.0	0	0	n/a
Huerfano	8	4	-50.0	4	8	100.0
Jackson	0	0	n/a	1	0	-100.0
Jefferson	136	168	23.5	74	30	-59.5
Kiowa	1	0	-100.0	0	0	n/a
Kit Carson	1	4	300.0	0	2	n/a
La Plata	15	15	0.0	4	9	125.0
Lake	3	3	0.0	4	1	-75.0
Larimer	57	73	28.1	36	27	-25.0
Las Animas	21	13	-38.1	10	11	10.0
Lincoln	2	3	50.0	1	1	0.0
Logan	3	13	333.3	5	6	20.0
Mesa	108	145	34.3	64	89	39.1
Mineral	0	1	n/a	0	0	n/a
Moffat	10	16	60.0	7	7	0.0
Montezuma	11	5	-54.5	6	9	50.0
Montrose	23	28	21.7	17	15	-11.8
Morgan	14	24	71.4	5	13	160.0

Otero	15	13	-13.3		4	11	175.0
Ouray	1	1	0.0		2	1	-50.0
Park	12	11	-8.3		10	8	-20.0
Philips	1	5	400.0		0	1	n/a
Pitkin	5	6	20.0		3	2	-33.3
Prowers	7	3	-57.1		3	5	66.7
Pueblo	115	177	53.9		110	90	-18.2
Rio Blanco	4	5	25.0		5	5	0.0
Rio Grande	8	7	-12.5		5	4	-20.0
Routt	9	11	22.2		9	3	-66.7
Saguache	3	6	100.0		5	1	-80.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	4	1	-75.0		3	1	-66.7
Sedgwick	2	5	150.0		2	0	-100.0
Summit	8	10	25.0		7	1	-85.7
Teller	18	20	11.1		17	16	-5.9
Washington	0	3	n/a		0	1	n/a
Weld	99	118	19.2		51	35	-31.4
Yuma	2	4	100.0		3	2	-33.3
Totals	1872	2279	21.7		1145	861	-24.8

Table 5: Percent change from 4th Q 2015 to 1st Q 2016:

Counties	2015 4th Q Filings	2016 1st Q Filings	Percent Change		2015 4th Q Sales	2016 1st Q Sales	Percent Change
Adams	193	213	10.4		72	47	-34.7
Alamosa	3	7	133.3		12	0	-100.0
Arapahoe	177	220	24.3		97	51	-47.4
Archuleta	5	6	20.0		9	2	-77.8
Baca	2	1	-50.0		1	0	-100.0
Bent	1	0	-100.0		1	2	100.0
Boulder	45	63	40.0		12	14	16.7
Broomfield	10	10	0.0		7	2	-71.4
Chaffee	3	2	-33.3		2	3	50.0
Cheyenne	0	0	n/a		1	0	-100.0
Clear Creek	3	4	33.3		1	1	0.0
Conejos	2	1	-50.0		0	0	n/a
Costilla	1	2	100.0		1	1	0.0
Crowley	1	2	100.0		0	0	n/a
Custer	0	2	n/a		4	4	0.0
Delta	21	33	57.1		22	14	-36.4
Denver	148	186	25.7		51	35	-31.4
Dolores	2	0	-100.0		1	0	-100.0
Douglas	83	76	-8.4		27	24	-11.1
Eagle	24	27	12.5		9	11	22.2
Elbert	7	17	142.9		6	6	0.0
El Paso	417	420	0.7		203	185	-8.9
Fremont	34	27	-20.6		29	23	-20.7
Garfield	23	25	8.7		22	11	-50.0
Gilpin	6	4	-33.3		0	2	n/a
Grand	4	6	50.0		7	4	-42.9
Gunnison	3	4	33.3		4	4	0.0
Hinsdale	0	0	n/a		1	0	-100.0
Huerfano	9	4	-55.6		4	8	100.0
Jackson	1	0	-100.0		0	0	n/a
Jefferson	147	168	14.3		59	30	-49.2
Kiowa	1	0	-100.0		1	0	-100.0
Kit Carson	6	4	-33.3		0	2	n/a
La Plata	24	15	-37.5		12	9	-25.0
Lake	3	3	0.0		0	1	n/a
Larimer	77	73	-5.2		29	27	-6.9
Las Animas	21	13	-38.1		15	11	-26.7
Lincoln	2	3	50.0		3	1	-66.7
Logan	6	13	116.7		8	6	-25.0
Mesa	123	145	17.9		89	89	0.0
Mineral	0	1	n/a		0	0	n/a
Moffat	15	16	6.7		13	7	-46.2

Montezuma	7	5	-28.6		8	9	12.5
Montrose	22	28	27.3		26	15	-42.3
Morgan	13	24	84.6		5	13	160.0
Otero	12	13	8.3		6	11	83.3
Ouray	1	1	0.0		1	1	0.0
Park	19	11	-42.1		7	8	14.3
Philips	2	5	150.0		1	1	0.0
Pitkin	3	6	100.0		5	2	-60.0
Prowers	6	3	-50.0		5	5	0.0
Pueblo	127	177	39.4		96	90	-6.3
Rio Blanco	7	5	-28.6		4	5	25.0
Rio Grande	7	7	0.0		5	4	-20.0
Routt	10	11	10.0		11	3	-72.7
Saguache	3	6	100.0		1	1	0.0
San Juan	0	0	n/a		1	0	-100.0
San Miguel	2	1	-50.0		1	1	0.0
Sedgwick	2	5	150.0		2	0	-100.0
Summit	4	10	150.0		7	1	-85.7
Teller	18	20	11.1		12	16	33.3
Washington	1	3	200.0		0	1	n/a
Weld	108	118	9.3		48	35	-27.1
Yuma	2	4	100.0		2	2	0.0
Totals	2029	2279	12.3		1089	861	-20.9

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

Counties	2015 1st Q Filings	2015 2nd Q Filings	2015 3rd Q Filings	2015 4th Q Filings	2016 1st Q Filings		2014 4th Q Sales	2015 1st Q Sales	2015 2nd Q Sales	2015 3rd Q Sales	2016 1st Q Sales
Adams	184	202	186	193	213		90	86	72	54	47
Alamosa	5	9	8	3	7		8	3	12	4	0
Arapahoe	195	269	217	177	220		109	102	97	62	51
Archuleta	10	6	4	5	6		4	4	9	2	2
Baca	1	1	1	2	1		1	1	1	0	0
Bent	3	4	3	1	0		3	2	1	2	2
Boulder	51	69	56	45	63		19	17	12	14	14
Broomfield	12	5	9	10	10		3	3	7	1	2
Chaffee	3	7	5	3	2		3	1	2	2	3
Cheyenne	0	3	1	0	0		0	0	1	0	0
Clear Creek	4	4	4	3	4		5	6	1	2	1
Conejos	1	1	0	2	1		1	1	0	1	0
Costilla	2	5	1	1	2		1	0	1	2	1
Crowley	2	3	4	1	2		2	0	0	0	0
Custer	5	5	6	0	2		5	2	4	3	4
Delta	24	23	32	21	33		20	23	22	17	14
Denver	162	206	174	148	186		71	51	51	38	35
Dolores	1	3	1	2	0		1	3	1	0	0
Douglas	74	79	86	83	76		33	28	27	17	24
Eagle	21	18	19	24	27		10	14	9	7	11
Elbert	5	12	9	7	17		10	3	6	8	6
El Paso	312	403	338	417	420		202	201	203	201	185
Fremont	31	33	32	34	27		30	29	29	26	23
Garfield	20	32	18	23	25		23	28	22	11	11
Gilpin	1	1	3	6	4		4	3	0	1	2
Grand	13	11	7	4	6		4	9	7	4	4
Gunnison	3	7	10	3	4		6	2	4	3	4
Hinsdale	1	0	0	0	0		0	0	1	0	0
Huerfano	8	11	4	9	4		4	2	4	5	8
Jackson	0	0	0	1	0		1	0	0	0	0
Jefferson	136	176	152	147	168		74	58	59	48	30
Kiowa	1	0	1	1	0		0	0	1	1	0
Kit Carson	1	4	3	6	4		0	0	0	4	2

La Plata	15	11	16	24	15		4	7	12	5	9
Lake	3	7	4	3	3		4	4	0	7	1
Larimer	57	92	68	77	73		36	28	29	29	27
Las Animas	21	11	10	21	13		10	16	15	6	11
Lincoln	2	2	1	2	3		1	1	3	1	1
Logan	3	10	11	6	13		5	7	8	2	6
Mesa	108	117	131	123	145		64	77	89	74	89
Mineral	0	0	0	0	1		0	0	0	0	0
Moffat	10	21	15	15	16		7	8	13	12	7
Montezuma	11	6	13	7	5		6	7	8	7	9
Montrose	23	24	20	22	28		17	12	26	13	15
Morgan	14	19	14	13	24		5	9	5	10	13
Otero	15	6	9	12	13		4	7	6	7	11
Ouray	1	4	2	1	1		2	2	1	2	1
Park	12	7	28	19	11		10	2	7	0	8
Philips	1	1	0	2	5		0	0	1	0	1
Pitkin	5	6	9	3	6		3	3	5	5	2
Prowers	7	4	3	6	3		3	2	5	2	5
Pueblo	115	142	132	127	177		110	105	96	91	90
Rio Blanco	4	11	5	7	5		5	3	4	8	5
Rio Grande	8	3	6	7	7		5	3	5	8	4
Routt	9	16	11	10	11		9	11	11	10	3
Saguache	3	5	2	3	6		5	4	1	3	1
San Juan	0	0	1	0	0		0	0	1	0	0
San Miguel	4	2	0	2	1		3	0	1	3	1
Sedgwick	2	1	0	2	5		2	0	2	1	0
Summit	8	8	12	4	10		7	5	7	4	1
Teller	18	23	19	18	20		17	10	12	12	16
Washington	0	2	1	1	3		0	1	0	1	1
Weld	99	105	115	108	118		51	47	48	48	35
Yuma	2	4	6	2	4		3	0	2	1	2
Totals	1872	2282	2058	2029	2279		1145	1063	1089	912	861