COLORADO
Department of Local Affairs
Division of Housing

2nd Quarter 2016 Foreclosure Report

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

September 27, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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 second quarter of 2016, Colorado public trustees reported 1,872 foreclosure filings and 883 sales at auction (completed foreclosures). During the second quarter of last year, there were 2,282 filings and 1,063 sales. Comparing year-over-year for the second quarter, foreclosure filings fell 18 percent and completed foreclosures fell 16.9 percent.

Comparing the second quarter of 2016 to the previous quarter, foreclosure filings fell 17.9 percent from 2,279 to 1,872. Foreclosure sales fell 2.6 percent from 861 to 883 during the same period.

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 and sales have stabilized and flattened.

Overall, foreclosure totals are at remarkably low levels, and now similar to foreclosure activity observed during the economic boom of the 1990s in Colorado.

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

Quarterly Foreclosure Totals in Colorado
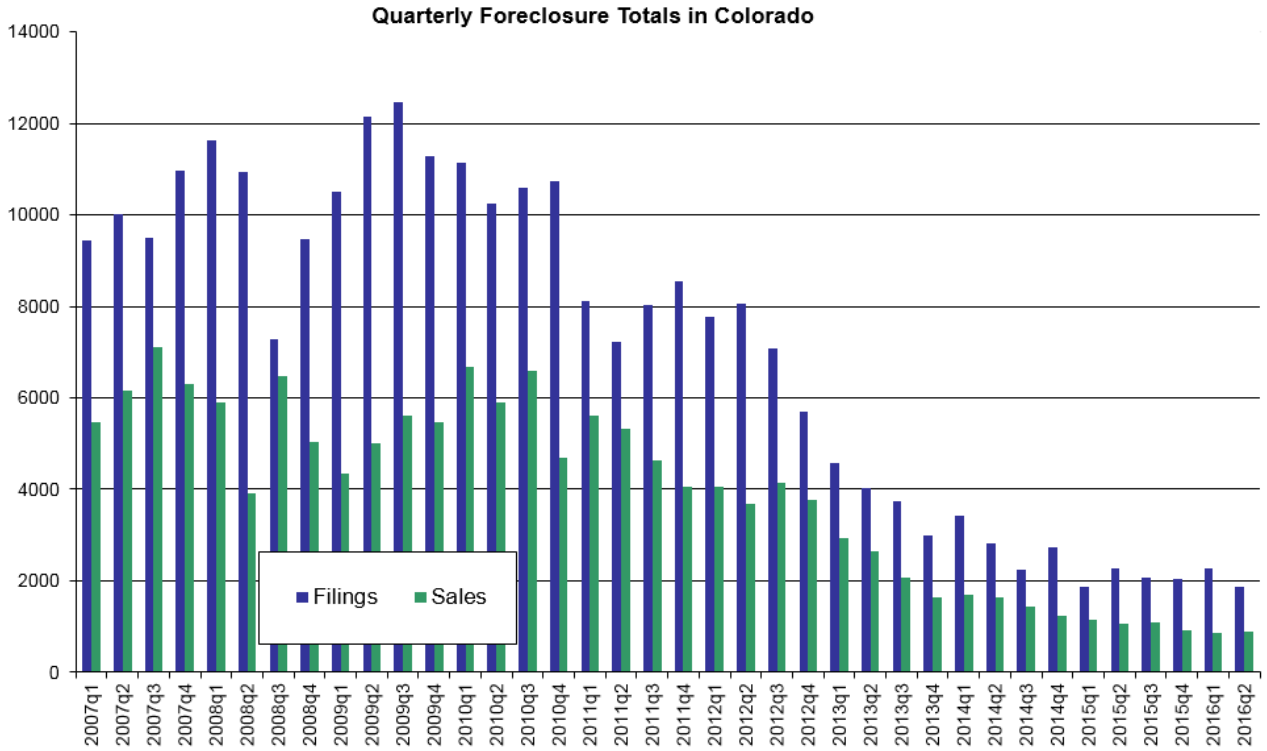
Graph 2: Annual Foreclosure Totals (2016 is YTD):

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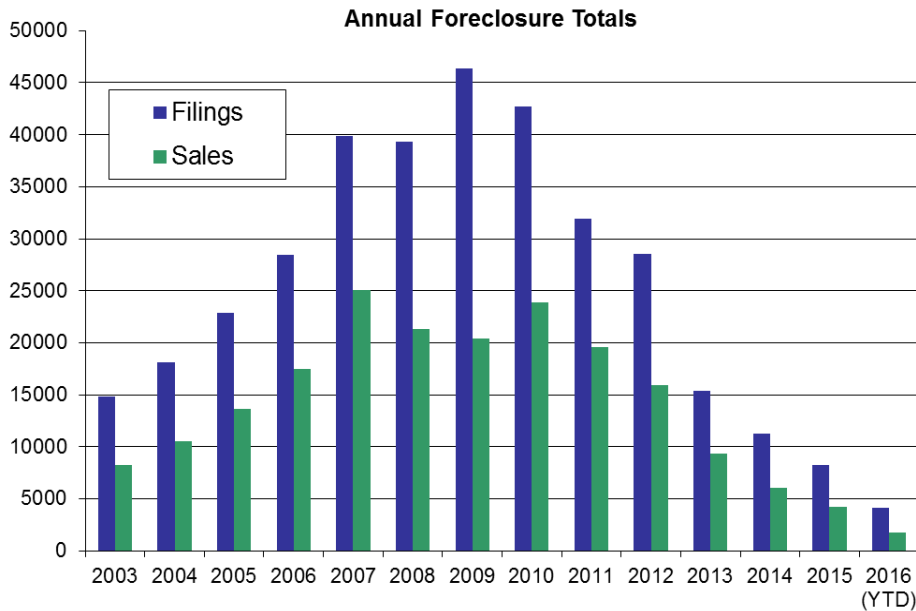
Note: Annual totals are available since 2003, but quarterly totals are only available since 2007.

Table 1: Foreclosure Filings

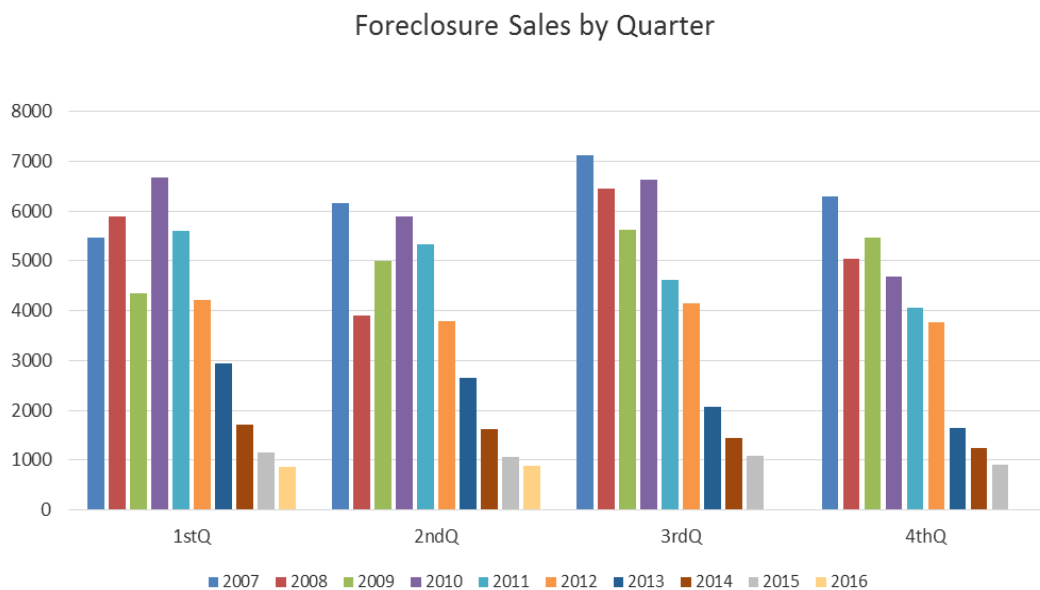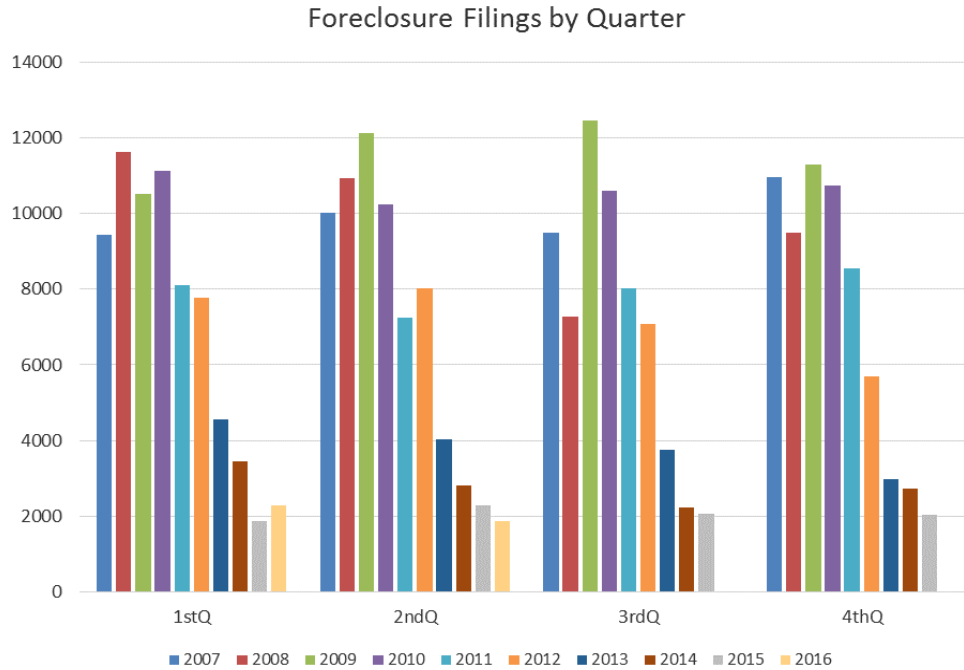| Year	Foreclosure Filings
2003	14,858
2004	18,127
2005	22,894
2006	28,435
2007	39,920
2008	39,333
2009	46,394
2010	42,692
2011	31,975
2012	28,579
2013	15,333
2014	11,235
2015	8,241
2016 (January-June)	4,151

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	6,003
2015	4,209
2016 (January-June)	1,744

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 second quarter, foreclosure activity is at the lowest level measured since this survey was initiated in 2007.


Foreclosure Filings by Quarter

Foreclosure Sales by Quarter

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. Overall, foreclosure activity remains down considerably from when the survey was begun in 2007. The top counties for foreclosure activity shown here are Mineral, La Plata, and Costilla. However, even in these cases, foreclosure activity is low in historical comparisons.

Map 1: Foreclosure rates in Colorado Counties, 2nd Quarter 2016
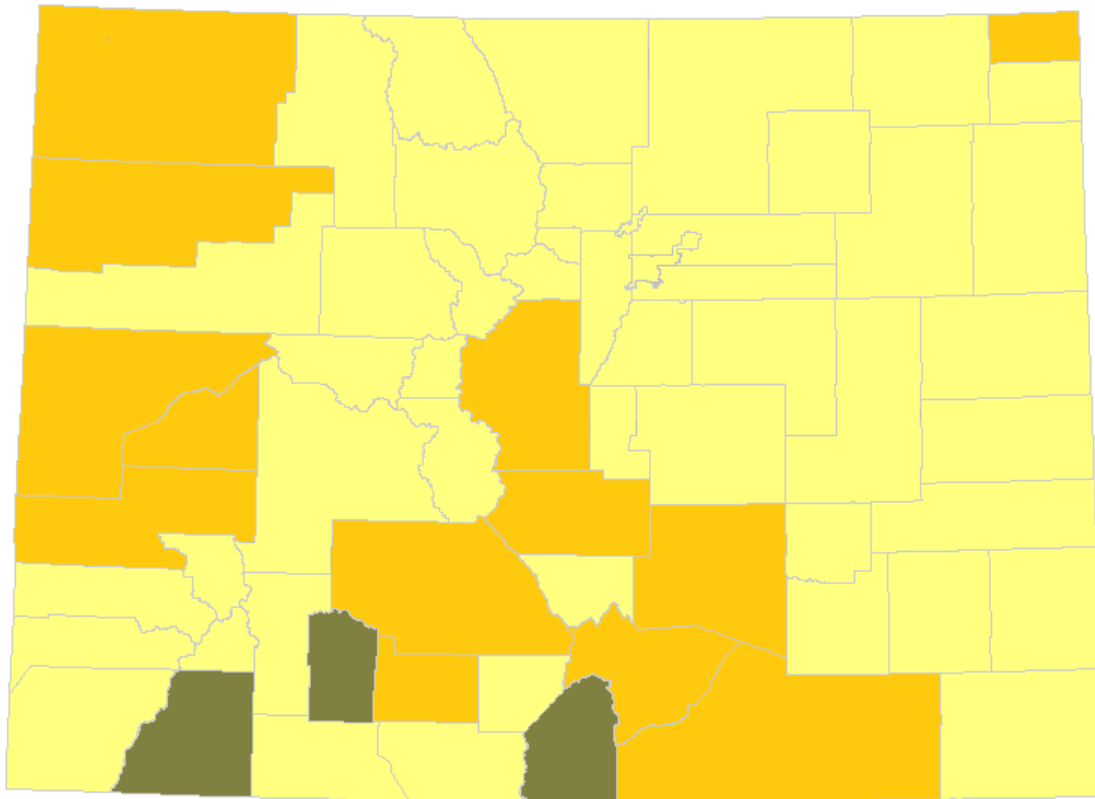
Foreclosure rates are split into 4 categories: 1. (burgundy) More than 0.5 percent of all households. 2. (green) From .25 up to and including .50 percent of all households. 3. (orange) From 0.1 up to and including 0.25 percent of all households. 4. (yellow) 0.1 percent, or less, of all households.

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

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 2,415 households for the second quarter of 2016.

Only one metropolitan counties was found among the top ten counties for foreclosure sales rates: Mesa County. Most of the counties in the top ten were mountain and rural counties including Rio Blanco, Las Animas, and La Plata 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 703 households while Mesa County reported a rate of 1 foreclosure per 611 households. See Table 3 for full listing.

Broomfield County reported the lowest foreclosure rate among metropolitan counties with 1 completed foreclosure per 24,841 households.

Future Outlook

Foreclosure activity has continued to decline in 2016, although the rate of decline has lessened and flattened. Colorado remains near the lowest foreclosure levels experienced since 2004. So far, 2016 shows no signs of sizable growth in foreclosure activity, and the first quarter's year-over-year gain in foreclosure sales has turned out to not have indicated any new trend at this time. So long as employment data continues to point toward economic stability, it appears that any surge in foreclosure activity is unlikely.

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.

County	Households (2015 estimates)	2016 2nd Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
La Plata	3,015	9	0.30%	335
Mineral	363	1	0.28%	363
Costilla	1,576	4	0.25%	394
Moffat	5,117	12	0.23%	426
Rio Blanco	2,584	6	0.23%	431
Las Animas	5,732	13	0.23%	441
Huerfano	3,024	6	0.20%	504
Sedgwick	1,089	2	0.18%	545
Mesa	58,691	96	0.16%	611
Delta	12,299	20	0.16%	615
Saguache	2,708	4	0.15%	677
Pueblo	64,671	92	0.14%	703
Rio Grande	4,573	6	0.13%	762
Montrose	16,339	21	0.13%	778
Fremont	16,695	20	0.12%	835
Park	7,376	8	0.11%	922
Teller	9,829	10	0.10%	983
Lincoln	1,985	2	0.10%	993
Logan	7,988	8	0.10%	999
Ouray	2,124	2	0.09%	1062
Otero	7,500	6	0.08%	1250
El Paso	256,525	203	0.08%	1264
Gilpin	2,633	2	0.08%	1317
Morgan	10,336	7	0.07%	1477
Yuma	3,959	2	0.05%	1980
Custer	2,022	1	0.05%	2022
Alamosa	6,179	3	0.05%	2060
Clear Creek	4,309	2	0.05%	2155
Elbert	8,965	4	0.04%	2241
Garfield	20,983	9	0.04%	2331
Prowers	4,670	2	0.04%	2335
Weld	101,000	40	0.04%	2525
Montezuma	10,795	4	0.04%	2699
Archuleta	5,399	2	0.04%	2700
Eagle	19,728	7	0.04%	2818

Pitkin	8,498	3	0.04%	2833
Adams	167,881	57	0.03%	2945
Kit Carson	3,056	1	0.03%	3056
Routt	10,146	3	0.03%	3382
Gunnison	6,822	2	0.03%	3411
Arapahoe	245,848	60	0.02%	4097
Summit	12,725	3	0.02%	4242
Douglas	114,929	21	0.02%	5473
Boulder	128,788	17	0.01%	7576
Denver	296,530	39	0.01%	7603
Chaffee	7,966	1	0.01%	7966
Jefferson	230,716	26	0.01%	8874
Larimer	133,429	13	0.01%	10264
Broomfield	24,841	1	0.00%	24841
Baca	1,599	0	0.00%	n/a
Bent	1,680	0	0.00%	n/a
Cheyenne	791	0	0.00%	n/a
Conejos	3,040	0	0.00%	n/a
Crowley	1,230	0	0.00%	n/a
Dolores	850	0	0.00%	n/a
Grand	6,367	0	0.00%	n/a
Hinsdale	327	0	0.00%	n/a
Jackson	629	0	0.00%	n/a
Kiowa	615	0	0.00%	n/a
Lake	22,486	0	0.00%	n/a
Philips	1,774	0	0.00%	n/a
San Juan	347	0	0.00%	n/a
San Miguel	3,683	0	0.00%	n/a
Washington	1,991	0	0.00%	n/a
Total	2,132,365	883	0.04%	2,405

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

Counties	2015 Q2 Filings	2016 Q2 Filings	Percent Change		2015 Q2 Sales	2016 Q2 Sales	Percent Change
Adams	202	173	-14.4		86	57	-33.7
Alamosa	9	8	-11.1		3	3	0.0
Arapahoe	269	186	-30.9		102	60	-41.2
Archuleta	6	11	83.3		4	2	-50.0
Baca	1	1	0.0		1	0	-100.0
Bent	4	0	-100.0		2	0	-100.0
Boulder	69	41	-40.6		17	17	0.0
Broomfield	5	7	40.0		3	1	-66.7
Chaffee	7	2	-71.4		1	1	0.0
Cheyenne	3	1	-66.7		0	0	n/a
Clear Creek	4	3	-25.0		6	2	-66.7
Conejos	1	2	100.0		1	0	-100.0
Costilla	5	3	-40.0		0	4	n/a
Crowley	3	1	-66.7		0	0	n/a
Custer	5	3	-40.0		2	1	-50.0
Delta	23	18	-21.7		23	20	-13.0
Denver	206	182	-11.7		51	39	-23.5
Dolores	3	1	-66.7		3	0	-100.0
Douglas	79	89	12.7		28	21	-25.0
Eagle	18	14	-22.2		14	7	-50.0
Elbert	12	11	-8.3		3	4	33.3
El Paso	403	318	-21.1		201	203	1.0
Fremont	33	23	-30.3		29	20	-31.0
Garfield	32	22	-31.3		28	9	-67.9
Gilpin	1	3	200.0		3	2	-33.3
Grand	11	3	-72.7		9	0	-100.0
Gunnison	7	6	-14.3		2	2	0.0
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	11	9	-18.2		2	6	200.0
Jackson	0	0	n/a		0	0	n/a
Jefferson	176	104	-40.9		58	26	-55.2
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	4	3	-25.0		0	1	n/a
La Plata	11	12	9.1		7	9	28.6
Lake	7	2	-71.4		4	0	-100.0
Larimer	92	68	-26.1		28	13	-53.6
Las Animas	11	18	63.6		16	13	-18.8
Lincoln	2	2	0.0		1	2	100.0
Logan	10	10	0.0		7	8	14.3
Mesa	117	137	17.1		77	96	24.7
Mineral	0	2	n/a		0	1	n/a
Moffat	21	11	-47.6		8	12	50.0
Montezuma	6	18	200.0		7	4	-42.9
Montrose	24	17	-29.2		12	21	75.0

Morgan	19	16	-15.8	9	7	-22.2
Otero	6	11	83.3	7	6	-14.3
Ouray	4	1	-75.0	2	2	0.0
Park	7	11	57.1	2	8	300.0
Philips	1	1	0.0	0	0	n/a
Pitkin	6	3	-50.0	3	3	0.0
Prowers	4	5	25.0	2	2	0.0
Pueblo	142	116	-18.3	105	92	-12.4
Rio Blanco	11	11	0.0	3	6	100.0
Rio Grande	3	8	166.7	3	6	100.0
Routt	16	9	-43.8	11	3	-72.7
Saguache	5	3	-40.0	4	4	0.0
San Juan	0	0	n/a	0	0	n/a
San Miguel	2	1	-50.0	0	0	n/a
Sedgwick	1	2	100.0	0	2	n/a
Summit	8	8	0.0	5	3	-40.0
Teller	23	11	-52.2	10	10	0.0
Washington	2	1	-50.0	1	0	-100.0
Weld	105	98	-6.7	47	40	-14.9
Yuma	4	11	175.0	0	2	n/a
Totals	2282	1872	-18.0	1063	883	-16.9

Table 5: Percent change from 1st Q 2016 to 2nd Q 2016:

Counties	2016 1st Q Filings	2016 2nd Q Filings	Percent Change		2016 1st Q Sales	2016 2nd Q Sales	Percent Change
Adams	213	173	-18.8		47	57	21.3
Alamosa	7	8	14.3		0	3	n/a
Arapahoe	220	186	-15.5		51	60	17.6
Archuleta	6	11	83.3		2	2	0.0
Baca	1	1	0.0		0	0	n/a
Bent	0	0	n/a		2	0	-100.0
Boulder	63	41	-34.9		14	17	21.4
Broomfield	10	7	-30.0		2	1	-50.0
Chaffee	2	2	0.0		3	1	-66.7
Cheyenne	0	1	n/a		0	0	n/a
Clear Creek	4	3	-25.0		1	2	100.0
Conejos	1	2	100.0		0	0	n/a
Costilla	2	3	50.0		1	4	300.0
Crowley	2	1	-50.0		0	0	n/a
Custer	2	3	50.0		4	1	-75.0
Delta	33	18	-45.5		14	20	42.9
Denver	186	182	-2.2		35	39	11.4
Dolores	0	1	n/a		0	0	n/a
Douglas	76	89	17.1		24	21	-12.5
Eagle	27	14	-48.1		11	7	-36.4
Elbert	17	11	-35.3		6	4	-33.3
El Paso	420	318	-24.3		185	203	9.7
Fremont	27	23	-14.8		23	20	-13.0
Garfield	25	22	-12.0		11	9	-18.2
Gilpin	4	3	-25.0		2	2	0.0
Grand	6	3	-50.0		4	0	-100.0
Gunnison	4	6	50.0		4	2	-50.0
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	4	9	125.0		8	6	-25.0
Jackson	0	0	n/a		0	0	n/a
Jefferson	168	104	-38.1		30	26	-13.3
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	4	3	-25.0		2	1	-50.0
La Plata	15	12	-20.0		9	9	0.0
Lake	3	2	-33.3		1	0	-100.0
Larimer	73	68	-6.8		27	13	-51.9
Las Animas	13	18	38.5		11	13	18.2
Lincoln	3	2	-33.3		1	2	100.0
Logan	13	10	-23.1		6	8	33.3
Mesa	145	137	-5.5		89	96	7.9
Mineral	1	2	100.0		0	1	n/a
Moffat	16	11	-31.3		7	12	71.4

Montezuma	5	18	260.0	9	4	-55.6
Montrose	28	17	-39.3	15	21	40.0
Morgan	24	16	-33.3	13	7	-46.2
Otero	13	11	-15.4	11	6	-45.5
Ouray	1	1	0.0	1	2	100.0
Park	11	11	0.0	8	8	0.0
Philips	5	1	-80.0	1	0	-100.0
Pitkin	6	3	-50.0	2	3	50.0
Prowers	3	5	66.7	5	2	-60.0
Pueblo	177	116	-34.5	90	92	2.2
Rio Blanco	5	11	120.0	5	6	20.0
Rio Grande	7	8	14.3	4	6	50.0
Routt	11	9	-18.2	3	3	0.0
Saguache	6	3	-50.0	1	4	300.0
San Juan	0	0	n/a	0	0	n/a
San Miguel	1	1	0.0	1	0	-100.0
Sedgwick	5	2	-60.0	0	2	n/a
Summit	10	8	-20.0	1	3	200.0
Teller	20	11	-45.0	16	10	-37.5
Washington	3	1	-66.7	1	0	-100.0
Weld	118	98	-16.9	35	40	14.3
Yuma	4	11	175.0	2	2	0.0
Totals	2279	1872	-17.9	861	883	2.6

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

Counties	2015 2nd Q Filings	2015 3rd Q Filings	2015 4th Q Filings	2016 1st Q Filings	2016 2nd Q Filings		2015 1st Q Sales	2015 2nd Q Sales	2015 3rd Q Sales	2016 1st Q Sales	2016 2nd Q Sales
Adams	202	186	193	213	173		86	72	54	47	57
Alamosa	9	8	3	7	8		3	12	4	0	3
Arapahoe	269	217	177	220	186		102	97	62	51	60
Archuleta	6	4	5	6	11		4	9	2	2	2
Baca	1	1	2	1	1		1	1	0	0	0
Bent	4	3	1	0	0		2	1	2	2	0
Boulder	69	56	45	63	41		17	12	14	14	17
Broomfield	5	9	10	10	7		3	7	1	2	1
Chaffee	7	5	3	2	2		1	2	2	3	1
Cheyenne	3	1	0	0	1		0	1	0	0	0
Clear Creek	4	4	3	4	3		6	1	2	1	2
Conejos	1	0	2	1	2		1	0	1	0	0
Costilla	5	1	1	2	3		0	1	2	1	4
Crowley	3	4	1	2	1		0	0	0	0	0
Custer	5	6	0	2	3		2	4	3	4	1
Delta	23	32	21	33	18		23	22	17	14	20
Denver	206	174	148	186	182		51	51	38	35	39
Dolores	3	1	2	0	1		3	1	0	0	0
Douglas	79	86	83	76	89		28	27	17	24	21
Eagle	18	19	24	27	14		14	9	7	11	7
Elbert	12	9	7	17	11		3	6	8	6	4
El Paso	403	338	417	420	318		201	203	201	185	203
Fremont	33	32	34	27	23		29	29	26	23	20
Garfield	32	18	23	25	22		28	22	11	11	9
Gilpin	1	3	6	4	3		3	0	1	2	2
Grand	11	7	4	6	3		9	7	4	4	0
Gunnison	7	10	3	4	6		2	4	3	4	2
Hinsdale	0	0	0	0	0		0	1	0	0	0
Huerfano	11	4	9	4	9		2	4	5	8	6
Jackson	0	0	1	0	0		0	0	0	0	0
Jefferson	176	152	147	168	104		58	59	48	30	26
Kiowa	0	1	1	0	0		0	1	1	0	0
Kit Carson	4	3	6	4	3		0	0	4	2	1

14

La Plata	11	16	24	15	12		7	12	5	9	9
Lake	7	4	3	3	2		4	0	7	1	0
Larimer	92	68	77	73	68		28	29	29	27	13
Las Animas	11	10	21	13	18		16	15	6	11	13
Lincoln	2	1	2	3	2		1	3	1	1	2
Logan	10	11	6	13	10		7	8	2	6	8
Mesa	117	131	123	145	137		77	89	74	89	96
Mineral	0	0	0	1	2		0	0	0	0	1
Moffat	21	15	15	16	11		8	13	12	7	12
Montezuma	6	13	7	5	18		7	8	7	9	4
Montrose	24	20	22	28	17		12	26	13	15	21
Morgan	19	14	13	24	16		9	5	10	13	7
Otero	6	9	12	13	11		7	6	7	11	6
Ouray	4	2	1	1	1		2	1	2	1	2
Park	7	28	19	11	11		2	7	0	8	8
Philips	1	0	2	5	1		0	1	0	1	0
Pitkin	6	9	3	6	3		3	5	5	2	3
Prowers	4	3	6	3	5		2	5	2	5	2
Pueblo	142	132	127	177	116		105	96	91	90	92
Rio Blanco	11	5	7	5	11		3	4	8	5	6
Rio Grande	3	6	7	7	8		3	5	8	4	6
Routt	16	11	10	11	9		11	11	10	3	3
Saguache	5	2	3	6	3		4	1	3	1	4
San Juan	0	1	0	0	0		0	1	0	0	0
San Miguel	2	0	2	1	1		0	1	3	1	0
Sedgwick	1	0	2	5	2		0	2	1	0	2
Summit	8	12	4	10	8		5	7	4	1	3
Teller	23	19	18	20	11		10	12	12	16	10
Washington	2	1	1	3	1		1	0	1	1	0
Weld	105	115	108	118	98		47	48	48	35	40
Yuma	4	6	2	4	11		0	2	1	2	2
Totals	2282	2058	2029	2279	1872		1063	1089	912	861	883