



# COLORADO

## Department of Local Affairs

Division of Housing

## 3rd Quarter 2017 Foreclosure Report

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

November 30, 2017

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

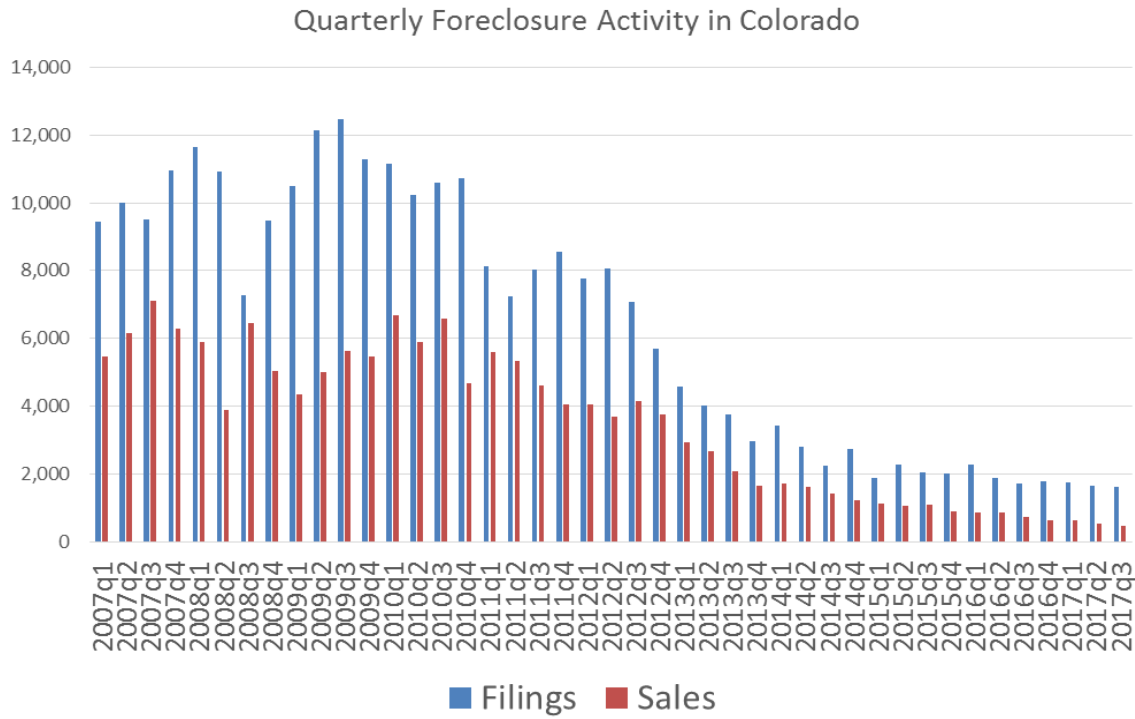
During the third quarter of 2017, Colorado public trustees reported 1,610 foreclosure filings and 465 sales at auction (completed foreclosures). During the third quarter of 2016, there were 1,721 filings and 751 sales. Comparing year-over-year for the third quarter, foreclosure filings fell 6.4 percent and completed foreclosures fell 38.1 percent.

Comparing the third quarter of 2017 to the second quarter of 2017, foreclosure filings fell 2.9 percent from 1,657 to 1,610. Foreclosure sales fell 13.7 percent from 539 to 465 during the same period.

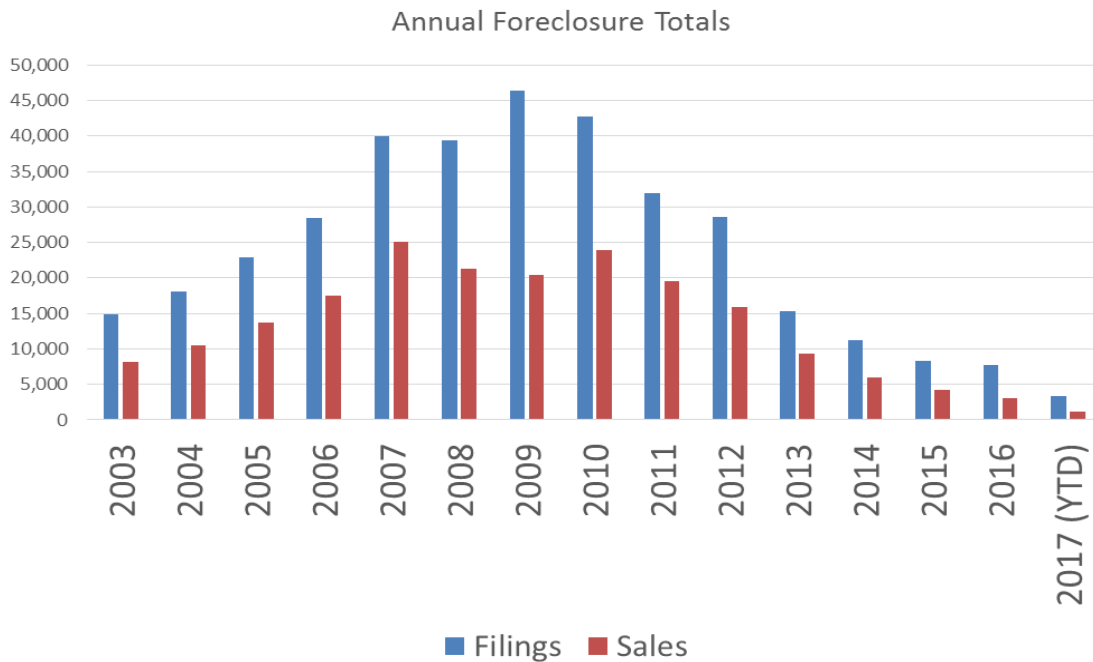
The foreclosure sales totals reported for the third quarter of 2017 were the lowest filings and sales totals recorded since the Division of Housing began tracking quarterly foreclosure totals in 2007.

Graph 1 shows quarterly totals in foreclosure filings and sales. In recent quarters, foreclosure filings have stabilized and flattened somewhat, although foreclosure sales have continued to fall to new lows in nearly every quarter.

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



**Graph 2: Annual Foreclosure Totals:**



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	7,666
2017 (Jan-Sep)	5,026

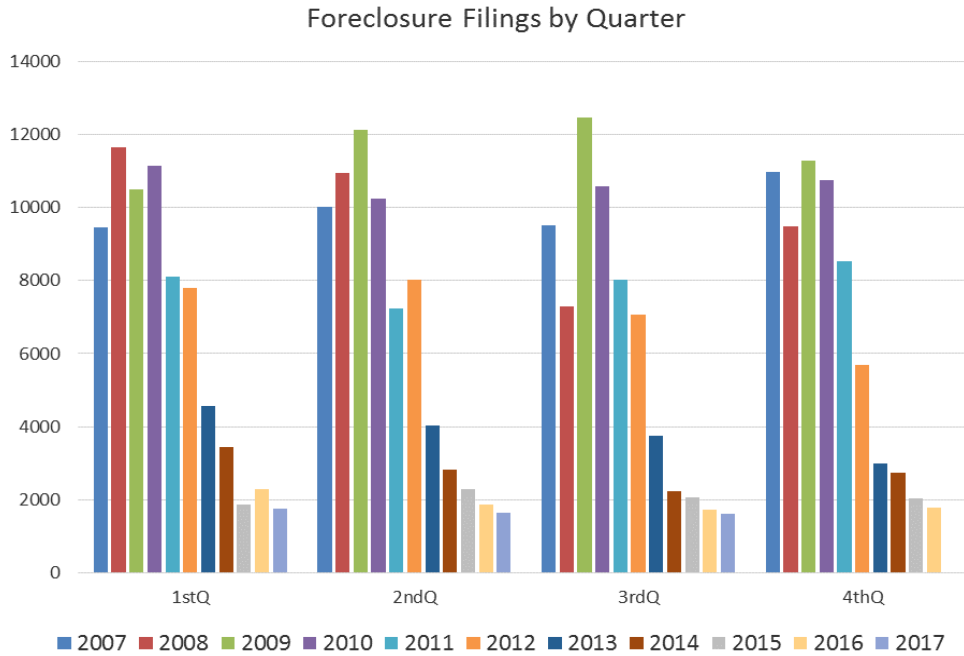
**Table 2: Foreclosure Sales at Auction**

<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	3,128
2017 (Jan-Sep)	1,653

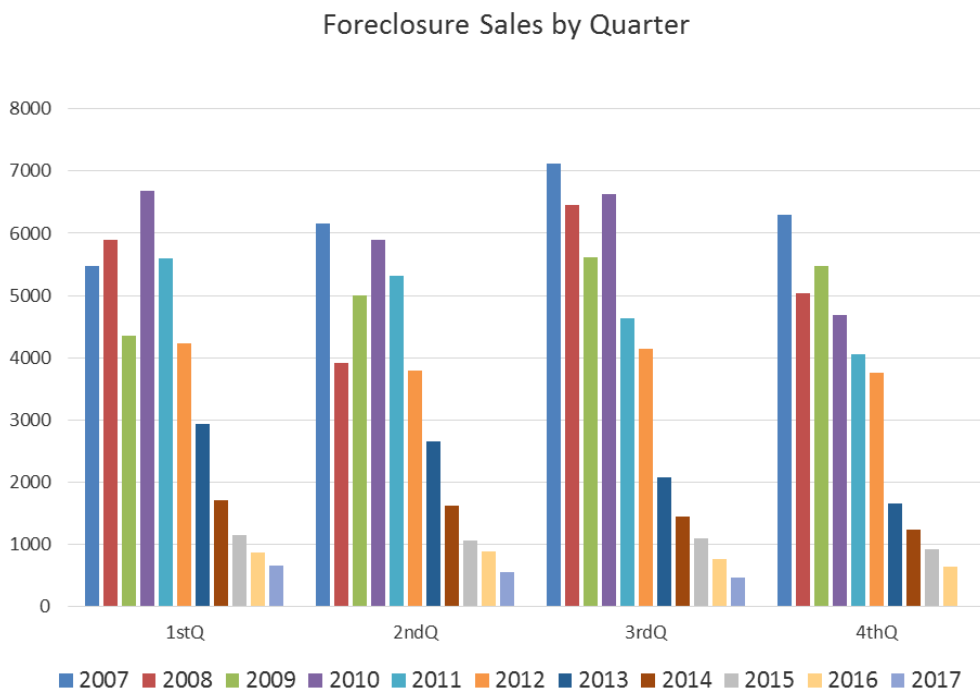
### Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the second quarter of 2017, sales declined for the seventh year in a row, and filings declined for the eighth year in a row.

**Graph 3: Foreclosure filings separated by quarter and year.**



**Graph 4: Foreclosure sales separated by quarter and year.**



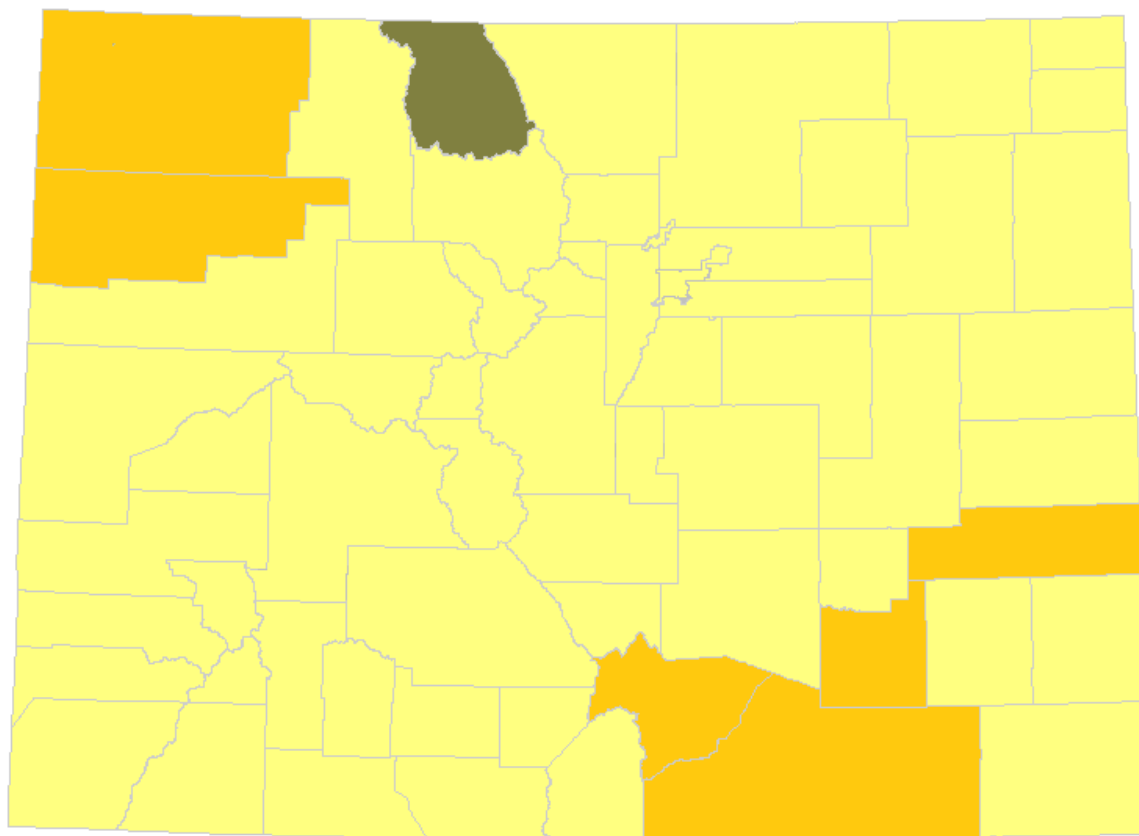
## County Statistics

Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 70 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 is now less limited to metropolitan areas than was the case in the past.

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. Third-quarter totals for 2017 show that, in general, the third quarter was the least active quarter for foreclosures in a decade. Even the counties with highest foreclosure rates during the third quarter, such as Las Animas and Jackson Counties, are still experiencing foreclosure totals well below what was common five years ago, or ten years ago.

**Map 1: Foreclosure rates in Colorado Counties, 3rd Quarter 2017**



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 4,590 households for the third quarter of 2017.

Among metropolitan counties (e.g., Arapahoe County, Mesa County), only Mesa County was found among the top ten counties for foreclosure sales rates. Most of the counties in the top ten were mountain and rural counties including Rio Blanco, Moffatt, and Las Animas Counties. But, foreclosure activity in all counties remained small compared to other years over the past decade.

Pueblo and Mesa counties reported the highest foreclosure rates of the metropolitan counties. Pueblo County reported a foreclosure rate of one foreclosure per 1,293 households while Mesa County reported a rate of 1 foreclosure per 978 households. See Table 3 for full listing.

Denver County reported the lowest foreclosure rate among metropolitan counties with 16 completed foreclosures, for a rate of 1 foreclosure sale per 18,533 households.

## **Future Outlook**

2017 continues to be a year of declining foreclosure activity overall. There are some signs of slight increases among middle-income metro counties (i.e., Adams, Weld, and Arapahoe Counties), but these numbers remains quite small in the context of the past decade. Other economic indicators such as employment and housing demand continue to point toward low foreclosure rates, for now.

## **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 2015 (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. 2015 household numbers are used.

<b>County</b>	<b>Households (2015 estimates)</b>	<b>2017 3rd Q Sales</b>	<b>Foreclosure Rate by Percentage</b>	<b>Foreclosure Rate by No. of Households per Completed Foreclosure</b>
Jackson	629	2	0.32%	315
Huerfano	3,024	6	0.20%	504
Kiowa	615	1	0.16%	615
Otero	7,500	12	0.16%	625
Rio Blanco	2,584	4	0.15%	646
Las Animas	5,732	8	0.14%	717
Moffat	5,117	6	0.12%	853
Mesa	58,691	60	0.10%	978
Sedgwick	1,089	1	0.09%	1,089
Prowers	4,670	4	0.09%	1,168
Delta	12,299	10	0.08%	1,230
Crowley	1,230	1	0.08%	1,230
Pueblo	64,671	50	0.08%	1,293
Gilpin	2,633	2	0.08%	1,317
Conejos	3,040	2	0.07%	1,520
Kit Carson	3,056	2	0.07%	1,528
Alamosa	6,179	4	0.06%	1,545
Grand	6,367	4	0.06%	1,592
Baca	1,599	1	0.06%	1,599
Teller	9,829	6	0.06%	1,638
Bent	1,680	1	0.06%	1,680
Eagle	19,728	11	0.06%	1,793
Montrose	16,339	9	0.06%	1,815
Lincoln	1,985	1	0.05%	1,985
Custer	2,022	1	0.05%	2,022
Rio Grande	4,573	2	0.04%	2,287
Logan	7,988	3	0.04%	2,663
Saguache	2,708	1	0.04%	2,708
Fremont	16,695	6	0.04%	2,783
El Paso	256,525	88	0.03%	2,915
Elbert	8,965	3	0.03%	2,988
La Plata	22,486	7	0.03%	3,212
San Miguel	3,683	1	0.03%	3,683
Yuma	3,959	1	0.03%	3,959



Clear Creek	4,309	1	0.02%	4,309
Morgan	10,336	2	0.02%	5,168
Garfield	20,983	4	0.02%	5,246
Weld	101,095	19	0.02%	5,321
Montezuma	10,795	2	0.02%	5,398
Archuleta	5,399	1	0.02%	5,399
Gunnison	6,822	1	0.01%	6,822
Adams	168,515	23	0.01%	7,327
Park	7,376	1	0.01%	7,376
Larimer	133,429	14	0.01%	9,531
Routt	10,146	1	0.01%	10,146
Douglas	115,085	10	0.01%	11,509
Jefferson	230,716	19	0.01%	12,143
Arapahoe	246,937	20	0.01%	12,347
Broomfield	24,841	2	0.01%	12,421
Summit	12,725	1	0.01%	12,725
Boulder	128,829	7	0.01%	18,404
Denver	296,530	16	0.01%	18,533
Chaffee	7,966	0	0.00%	n/a
Cheyenne	791	0	0.00%	n/a
Costilla	1,576	0	0.00%	n/a
Dolores	850	0	0.00%	n/a
Hinsdale	327	0	0.00%	n/a
Lake	3,015	0	0.00%	n/a
Mineral	363	0	0.00%	n/a
Ouray	2,124	0	0.00%	n/a
Philips	1,774	0	0.00%	n/a
Pitkin	8,498	0	0.00%	n/a
San Juan	347	0	0.00%	n/a
Washington	1,991	0	0.00%	n/a
Total	2,134,380	465	0.02%	4,590

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

Counties	2016 Q3 Filings	2017 Q3 Filings	Percent Change	2016 Q3 Sales	2017 Q3 Sales	Percent Change
Adams	144	175	21.5	38	23	-39.5
Alamosa	14	13	-7.1	8	4	-50.0
Arapahoe	156	190	21.8	49	20	-59.2
Archuleta	4	8	100.0	10	1	-90.0
Baca	1	0	-100.0	2	1	-50.0
Bent	2	2	0.0	0	1	n/a
Boulder	43	51	18.6	14	7	-50.0
Broomfield	9	13	44.4	1	2	100.0
Chaffee	4	5	25.0	0	0	n/a
Cheyenne	1	0	-100.0	0	0	n/a
Clear Creek	3	4	33.3	2	1	-50.0
Conejos	4	5	25.0	0	2	n/a
Costilla	0	0	n/a	0	0	n/a
Crowley	2	3	50.0	0	1	n/a
Custer	6	3	-50.0	2	1	-50.0
Delta	26	27	3.8	14	10	-28.6
Denver	169	155	-8.3	49	16	-67.3
Dolores	0	0	n/a	0	0	n/a
Douglas	72	57	-20.8	16	10	-37.5
Eagle	16	8	-50.0	2	11	450.0
Elbert	9	9	0.0	3	3	0.0
El Paso	254	244	-3.9	156	88	-43.6
Fremont	34	27	-20.6	11	6	-45.5
Garfield	22	17	-22.7	10	4	-60.0
Gilpin	1	2	100.0	4	2	-50.0
Grand	7	6	-14.3	2	4	100.0
Gunnison	3	4	33.3	4	1	-75.0
Hinsdale	1	1	0.0	0	0	n/a
Huerfano	7	6	-14.3	4	6	50.0
Jackson	0	1	n/a	0	2	n/a
Jefferson	123	99	-19.5	29	19	-34.5
Kiowa	0	1	n/a	1	1	0.0
Kit Carson	5	2	-60.0	1	2	100.0
La Plata	15	13	-13.3	10	7	-30.0
Lake	6	3	-50.0	2	0	-100.0
Larimer	66	49	-25.8	11	14	27.3
Las Animas	11	7	-36.4	10	8	-20.0
Lincoln	2	3	50.0	1	1	0.0
Logan	7	6	-14.3	7	3	-57.1
Mesa	147	83	-43.5	86	60	-30.2
Mineral	0	0	n/a	0	0	n/a
Moffat	16	12	-25.0	15	6	-60.0
Montezuma	9	9	0.0	1	2	100.0
Montrose	20	14	-30.0	4	9	125.0

Morgan	14	12	-14.3		1	2	100.0
Otero	10	5	-50.0		8	12	50.0
Ouray	0	5	n/a		0	0	n/a
Park	11	9	-18.2		4	1	-75.0
Philips	2	2	0.0		2	0	-100.0
Pitkin	5	6	20.0		3	0	-100.0
Prowers	5	5	0.0		5	4	-20.0
Pueblo	93	90	-3.2		82	50	-39.0
Rio Blanco	9	3	-66.7		7	4	-42.9
Rio Grande	9	5	-44.4		4	2	-50.0
Routt	5	5	0.0		4	1	-75.0
Saguache	1	3	200.0		1	1	0.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	2	1	-50.0		1	1	0.0
Sedgwick	3	2	-33.3		2	1	-50.0
Summit	4	9	125.0		3	1	-66.7
Teller	11	7	-36.4		9	6	-33.3
Washington	0	1	n/a		1	0	-100.0
Weld	93	100	7.5		30	19	-36.7
Yuma	3	3	0.0		5	1	-80.0
Total	1,721	1,610	-6.4		751	465	-38.1

Table 5: Percent change from 2nd Q 2017 to 3rd Q 2017:

Counties	2017 2nd Q Filings	2017 3rd Q Filings	Percent Change		2017 2nd Q Sales	2017 3rd Q Sales	Percent Change
Adams	164	175	6.7		26	23	-11.5
Alamosa	7	13	85.7		6	4	-33.3
Arapahoe	171	190	11.1		21	20	-4.8
Archuleta	6	8	33.3		1	1	0.0
Baca	1	0	-100.0		2	1	-50.0
Bent	2	2	0.0		1	1	0.0
Boulder	44	51	15.9		2	7	250.0
Broomfield	14	13	-7.1		1	2	100.0
Chaffee	0	5	n/a		4	0	-100.0
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	4	4	0.0		0	1	n/a
Conejos	2	5	150.0		2	2	0.0
Costilla	2	0	-100.0		0	0	n/a
Crowley	1	3	200.0		1	1	0.0
Custer	1	3	200.0		3	1	-66.7
Delta	19	27	42.1		9	10	11.1
Denver	157	155	-1.3		18	16	-11.1
Dolores	0	0	n/a		0	0	n/a
Douglas	58	57	-1.7		10	10	0.0
Eagle	20	8	-60.0		2	11	450.0
Elbert	8	9	12.5		2	3	50.0
El Paso	272	244	-10.3		117	88	-24.8
Fremont	23	27	17.4		14	6	-57.1
Garfield	17	17	0.0		9	4	-55.6
Gilpin	4	2	-50.0		1	2	100.0
Grand	7	6	-14.3		3	4	33.3
Gunnison	3	4	33.3		1	1	0.0
Hinsdale	1	1	0.0		0	0	n/a
Huerfano	3	6	100.0		2	6	200.0
Jackson	0	1	n/a		0	2	n/a
Jefferson	142	99	-30.3		23	19	-17.4
Kiowa	0	1	n/a		0	1	n/a
Kit Carson	3	2	-33.3		1	2	100.0
La Plata	16	13	-18.8		10	7	-30.0
Lake	4	3	-25.0		1	0	-100.0
Larimer	54	49	-9.3		7	14	100.0
Las Animas	11	7	-36.4		8	8	0.0
Lincoln	4	3	-25.0		1	1	0.0
Logan	12	6	-50.0		8	3	-62.5
Mesa	96	83	-13.5		63	60	-4.8
Mineral	1	0	-100.0		0	0	n/a
Moffat	9	12	33.3		8	6	-25.0

Montezuma	10	9	-10.0		5	2	-60.0
Montrose	16	14	-12.5		9	9	0.0
Morgan	9	12	33.3		10	2	-80.0
Otero	15	5	-66.7		9	12	33.3
Ouray	1	5	400.0		1	0	-100.0
Park	5	9	80.0		2	1	-50.0
Philips	1	2	100.0		0	0	n/a
Pitkin	2	6	200.0		1	0	-100.0
Prowers	9	5	-44.4		3	4	33.3
Pueblo	99	90	-9.1		61	50	-18.0
Rio Blanco	4	3	-25.0		5	4	-20.0
Rio Grande	7	5	-28.6		1	2	100.0
Routt	8	5	-37.5		7	1	-85.7
Saguache	1	3	200.0		0	1	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	1	-66.7		1	1	0.0
Sedgwick	4	2	-50.0		1	1	0.0
Summit	5	9	80.0		3	1	-66.7
Teller	10	7	-30.0		5	6	20.0
Washington	2	1	-50.0		2	0	-100.0
Weld	82	100	22.0		24	19	-20.8
Yuma	2	3	50.0		1	1	0.0
Totals	1,658	1,610	-2.9		539	465	-13.7

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

Counties	2016 Q3 Filings	2016 Q4 Filings	2017 Q1 Filings	2017 Q2 Filings	2017 Q3 Filings		2016 Q3 Sales	2016 Q4 Sales	2017 Q1 Sales	2017 Q2 Sales	2017 Q3 Sales
Adams	144	187	165	164	175		38	32	37	26	23
Alamosa	14	10	4	7	13		8	4	11	6	4
Arapahoe	156	169	169	171	190		49	33	36	21	20
Archuleta	4	3	7	6	8		10	1	4	1	1
Baca	1	3	1	1	0		2	0	1	2	1
Bent	2	1	2	2	2		0	0	2	1	1
Boulder	43	27	35	44	51		14	8	10	2	7
Broomfield	9	8	8	14	13		1	1	0	1	2
Chaffee	4	2	6	0	5		0	3	0	4	0
Cheyenne	1	0	0	0	0		0	0	0	0	0
Clear Creek	3	4	7	4	4		2	0	0	0	1
Conejos	4	3	2	2	5		0	3	0	2	2
Costilla	0	0	1	2	0		0	0	0	0	0
Crowley	2	5	3	1	3		0	2	2	1	1
Custer	6	2	3	1	3		2	4	2	3	1
Delta	26	24	18	19	27		14	16	12	9	10
Denver	169	183	179	157	155		49	29	24	18	16
Dolores	0	1	3	0	0		0	1	0	0	0
Douglas	72	77	88	58	57		16	10	19	10	10
Eagle	16	11	13	17	8		2	8	4	6	11
Elbert	9	6	11	8	9		3	2	1	2	3
El Paso	254	295	286	272	244		156	136	122	117	88
Fremont	34	26	18	23	27		11	24	25	14	6
Garfield	22	18	21	17	17		10	9	13	9	4
Gilpin	1	1	3	4	2		4	1	0	1	2
Grand	7	6	8	7	6		2	3	5	3	4
Gunnison	3	4	1	3	4		4	3	4	3	1
Hinsdale	1	0	0	1	1		0	1	0	0	0
Huerfano	7	7	5	3	6		4	4	9	2	6
Jackson	0	0	2	0	1		0	0	0	0	2
Jefferson	123	125	116	142	99		29	17	23	23	19
Kiowa	0	0	1	1	1		1	1	0	1	1
Kit Carson	5	4	3	3	2		1	2	3	1	2

La Plata	15	19	19	15	13		10	7	4	8	7
Lake	6	5	4	4	3		2	5	2	1	0
Larimer	66	53	58	54	49		11	13	18	7	14
Las Animas	11	9	13	11	7		10	15	7	8	8
Lincoln	2	2	2	2	3		1	0	1	1	1
Logan	7	6	6	12	6		7	2	6	8	3
Mesa	147	124	118	96	83		86	80	65	63	60
Mineral	0	0	1	1	0		0	0	0	0	0
Moffat	16	15	12	13	12		15	13	9	10	6
Montezuma	9	7	8	10	9		1	14	6	5	2
Montrose	20	20	14	16	14		4	8	13	9	9
Morgan	14	16	16	9	12		1	4	5	10	2
Otero	10	9	13	15	5		8	6	9	9	12
Ouray	0	2	1	1	5		0	1	0	1	0
Park	11	9	9	5	9		4	3	4	2	1
Philips	2	0	1	2	2		2	1	1	1	0
Pitkin	5	3	3	2	6		3	0	1	1	0
Prowers	5	4	6	9	5		5	1	1	3	4
Pueblo	93	115	111	99	90		82	51	76	61	50
Rio Blanco	9	9	11	4	3		7	9	11	5	4
Rio Grande	9	4	6	7	5		4	4	7	1	2
Routt	5	6	8	8	5		4	1	3	7	1
Saguache	1	4	0	1	3		1	4	0	0	1
San Juan	0	2	0	0	0		0	0	1	0	0
San Miguel	2	3	2	3	1		1	0	0	1	1
Sedgwick	3	1	3	4	2		2	0	1	1	1
Summit	4	12	8	5	9		3	1	0	3	1
Teller	11	16	15	10	7		9	4	7	5	6
Washington	0	2	2	1	1		1	0	0	1	0
Weld	93	102	96	82	100		30	26	20	24	19
Yuma	3	3	3	2	3		5	2	2	1	1
Totals	1,721	1,794	1,758	1,657	1,610		751	633	649	546	465