



COLORADO

Department of Local Affairs

Division of Housing

2nd Quarter 2020 Foreclosure Report

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

July 31, 2020

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

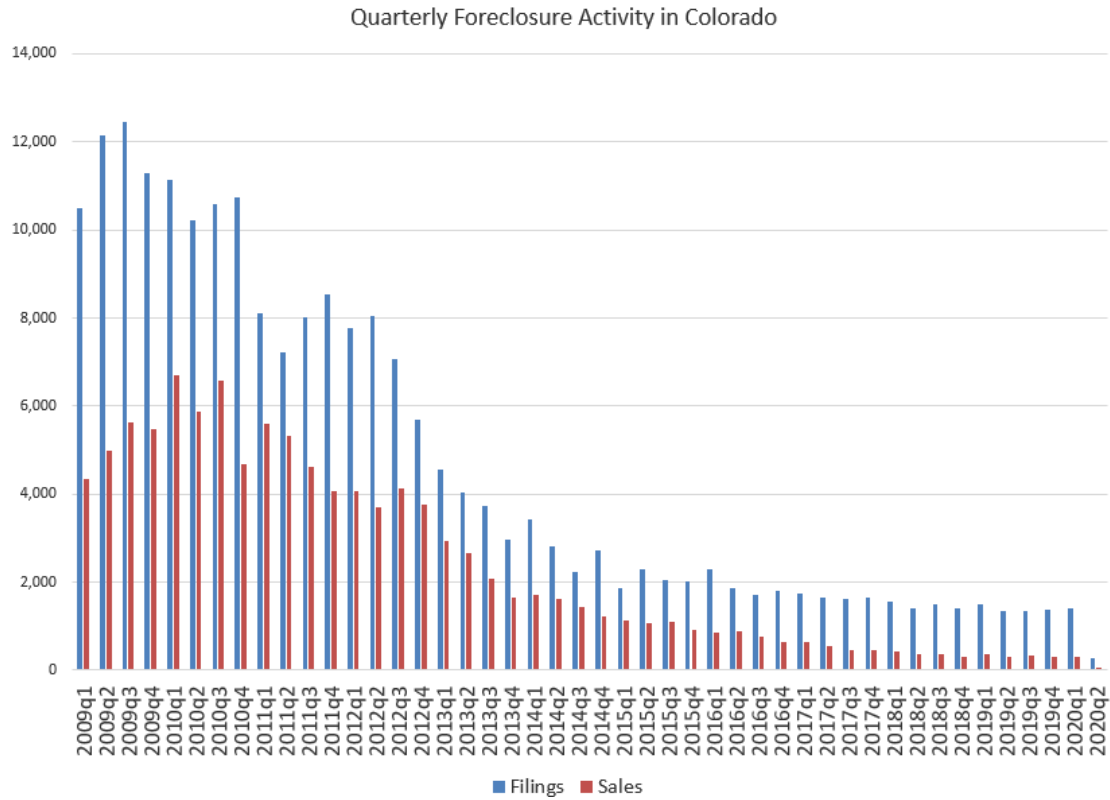
During the second quarter of 2020, Colorado public trustees reported 274 foreclosure filings and 61 sales at auction (completed foreclosures). During the second quarter of the previous year (2019), there were 1,357 filings and 315 sales. Comparing year-over-year for the second quarter, foreclosure filings fell 79.8 percent and completed foreclosures fell 80.6 percent.

Comparing the second quarter of 2020 to the first quarter of 2020, foreclosure filings fell 80.4 percent from 1,397 to 274. Foreclosure sales fell 80.1 percent from 307 to 61 during the same period.

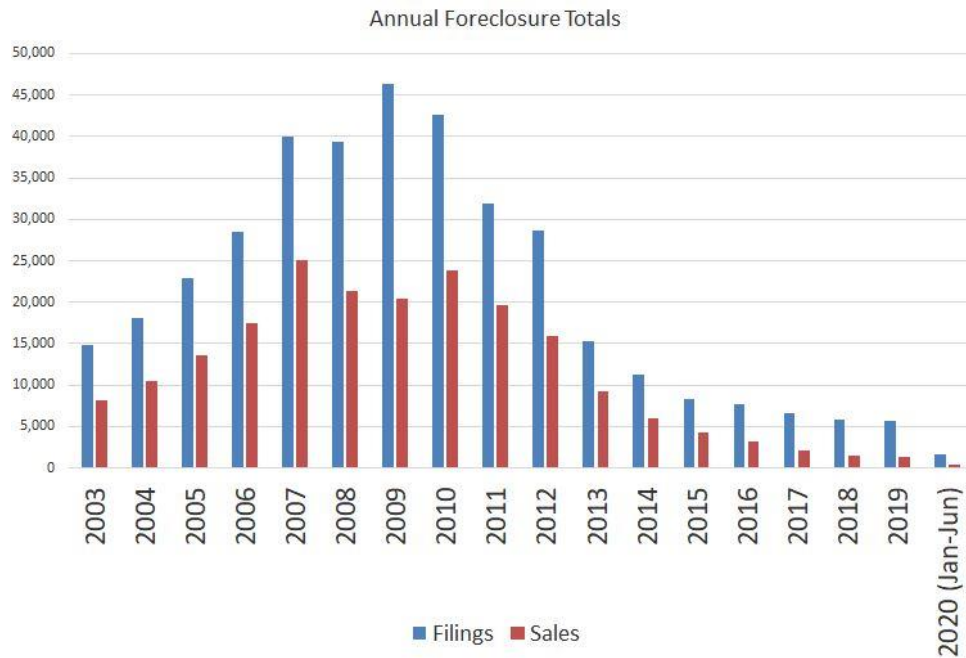
Both the filings and sales totals during the second quarter of 2020 were by far the lowest second-quarter totals ever recorded by the survey, which began in 2007.

Under normal circumstances, foreclosure activity during the first and second quarters this year would point toward another mild year for foreclosures. But, information on foreclosure activity in 2020 is difficult to interpret. Due to a variety of legal restrictions and voluntary decisions by lenders, far fewer foreclosure filings and foreclosure sales were carried out in Colorado during the second quarter than is normally the case. This was also due to the various COVID-19-related closures, which directly affected some public trustee offices in April, also driving down foreclosure totals. At this time, it is prudent to not interpret the first and second quarters' foreclosure activity as indicative of any trend that is likely to continue through the rest of the year.

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

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	7,666
2017	6,680
2018	5,884
2019	5,610
2020 (Jan-Jun)	1,671

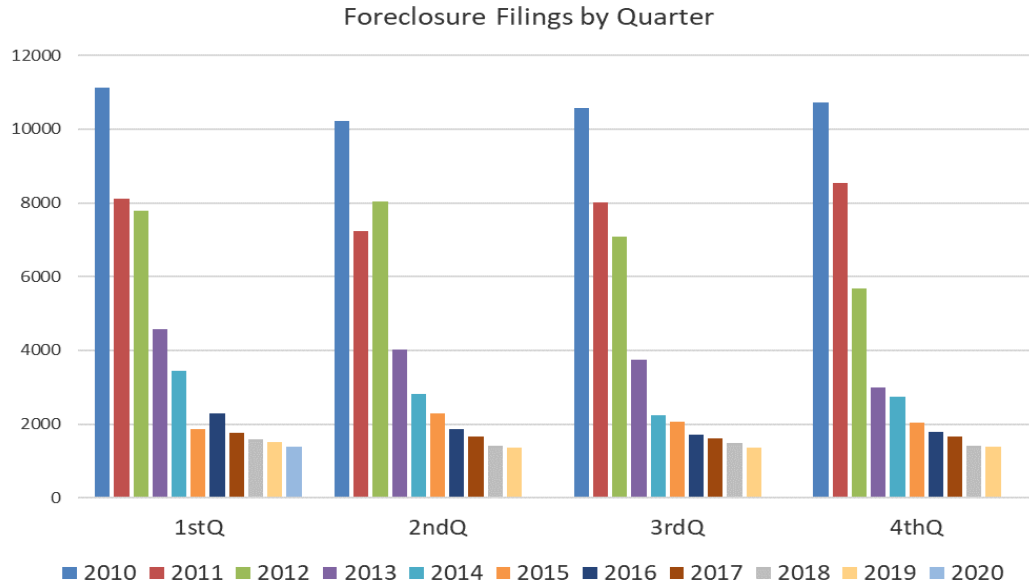
Table 2: Foreclosure Sales at Auction

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	3,128
2017	2,100
2018	1,461
2019	1,316
2020 (Jan-Jun)	368

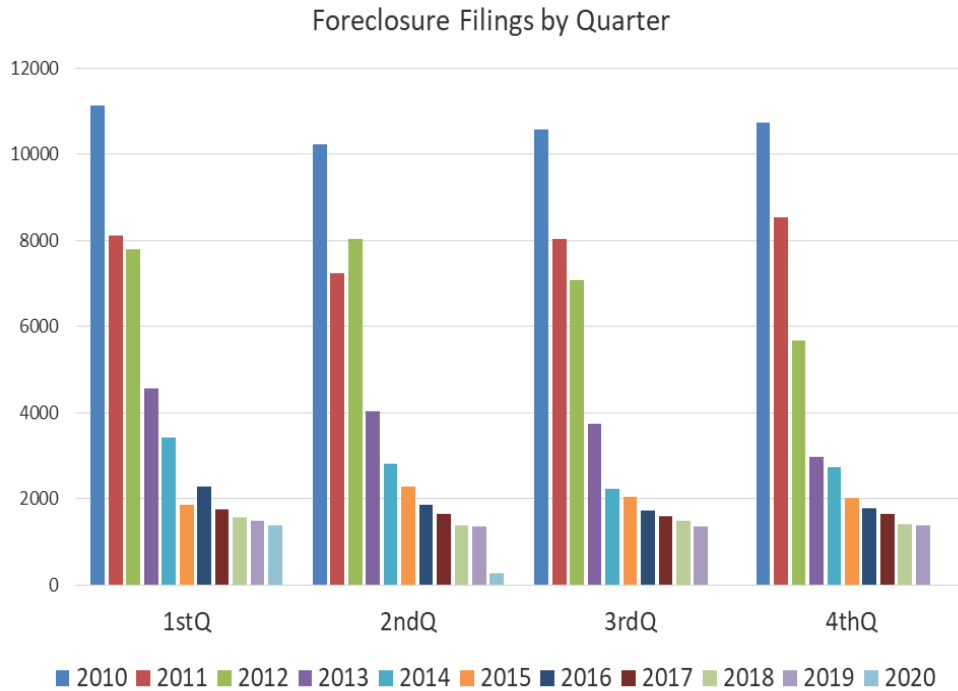
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the second quarter of 2020, both filings and sales fell to the lowest second-quarter total ever measured by the survey.

Graph 3: Foreclosure filings separated by quarter and year.



Graph 4: Foreclosure sales separated by quarter and year.



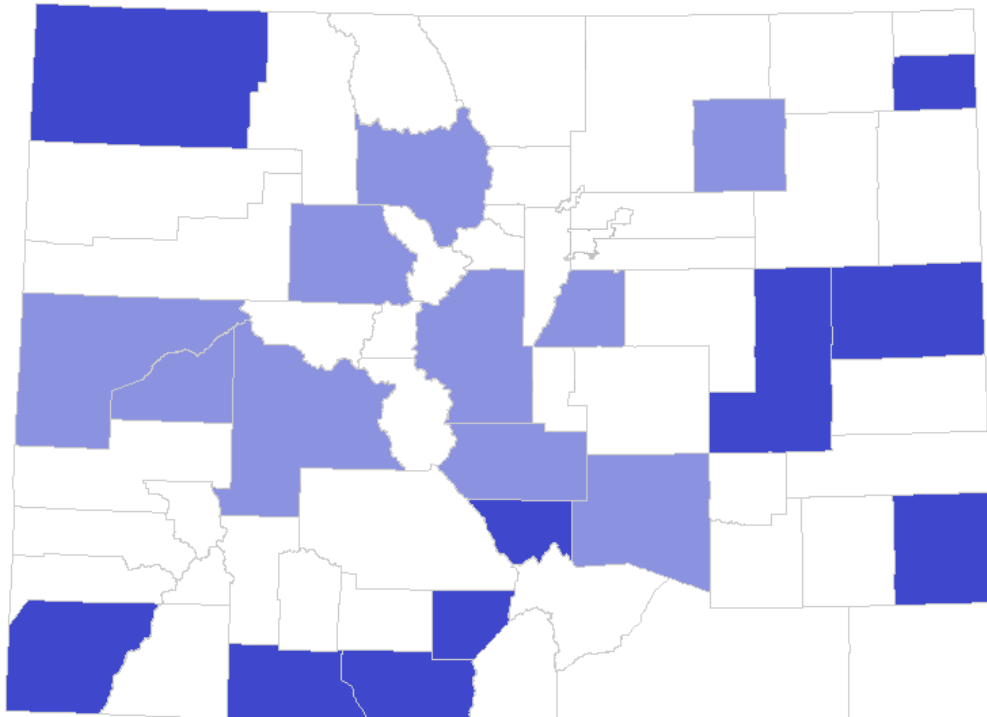
County Statistics

Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado in recent quarters have accounted for approximately 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 is now less limited to metropolitan areas than was the case in the past. During 2020, however, matters are difficult to interpret due to a variety of closures and moratoria on foreclosure activity.

Nonetheless, as is usually the case, 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 relative foreclosure rates in each county. This quarter's map is unusual. Due to the moratorium on evictions in place during the second quarter, and the subsequent lack of foreclosure activity overall, foreclosure sales were remarkably low. Here, the map has been colored simply to reflect the top-ten highest foreclosure rates (dark blue), and eleventh through twentieth highest foreclosure rates (medium blue). All other counties (colored in white) had so few foreclosures as to have foreclosure rates that were near or under 0.005% of all households.

Map 1: Foreclosure rates in Colorado Counties, by quartile, 2nd Quarter 2020



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

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 36,479 households for the second quarter of 2020.

No metropolitan counties (e.g., Arapahoe County, Mesa County) were found among the top ten counties for foreclosure sales rates. Most of the counties in the top ten were rural counties including Philips, Moffat, Custer, and Conejos counties. But, foreclosure activity in all counties remained small compared to other years over the past decade.

Future Outlook

Through the end of 2019, there were few signs of distress in local real estate markets, and a continued low foreclosure rate reflected this. 2020 is likely to look quite different, although it remains unclear how this will play out. Due to the COVID-19 pandemic and, to the related business closures and government-mandating social distancing, unemployment claims and the unemployment rate rose to exceptionally high levels beginning in April and May. Rising unemployment usually brings sizable increases in foreclosures. The effects of these economic changes, however, will not show up in foreclosure data until the third quarter at the earliest. In fact, due to government-imposed moratoria on evictions and other interventions in the mortgage markets, we may not see any sizable changes in the data until the fourth quarter of this year, or possibly even later. This assumes unemployment continues to be a major factor for households into the second half of the year.

The situation remains highly unpredictable at this time.

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 and revisions made to statistics reported in earlier reports.

The per-household calculation for each county is based on 2018 (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.

This report was prepared by Ryan McMaken.

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 (2018 estimates)	2020 2nd Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Philips	1,803	2	0.111%	902
Kit Carson	2,993	2	0.067%	1,497
Moffat	5,468	3	0.055%	1,823
Archuleta	5,999	3	0.050%	2,000
Lincoln	2,009	1	0.050%	2,009
Custer	2,304	1	0.043%	2,304
Prowers	4,745	2	0.042%	2,373
Conejos	3,071	1	0.033%	3,071
Alamosa	6,249	2	0.032%	3,125
Montezuma	10,803	3	0.028%	3,601
Gunnison	7,271	2	0.028%	3,636
Delta	12,692	2	0.016%	6,346
Grand	6,785	1	0.015%	6,785
Park	8,221	1	0.012%	8,221
Eagle	20,272	2	0.010%	10,136
Morgan	10,419	1	0.010%	10,419
Fremont	17,121	1	0.006%	17,121
Mesa	60,387	3	0.005%	20,129
Pueblo	66,326	3	0.005%	22,109
Douglas	122,468	4	0.003%	30,617
Adams	172,120	4	0.002%	43,030
Denver	315,805	7	0.002%	45,115
Jefferson	236,413	4	0.002%	59,103
Boulder	131,050	2	0.002%	65,525
El Paso	270,780	4	0.001%	67,695
Arapahoe	253,318	0	0.000%	n/a
Baca	1,575	0	0.000%	n/a
Bent	1,661	0	0.000%	n/a
Broomfield	26,498	0	0.000%	n/a
Chaffee	8,598	0	0.000%	n/a
Cheyenne	796	0	0.000%	n/a
Clear Creek	4,456	0	0.000%	n/a
Costilla	1,676	0	0.000%	n/a
Crowley	1,259	0	0.000%	n/a
Dolores	895	0	0.000%	n/a
Elbert	9,518	0	0.000%	n/a
Garfield	21,606	0	0.000%	n/a

Gilpin	2,767	0	0.000%	n/a
Hinsdale	346	0	0.000%	n/a
Huerfano	3,205	0	0.000%	n/a
Jackson	647	0	0.000%	n/a
Kiowa	608	0	0.000%	n/a
La Plata	23,197	0	0.000%	n/a
Lake	3,166	0	0.000%	n/a
Larimer	140,370	0	0.000%	n/a
Las Animas	5,914	0	0.000%	n/a
Logan	7,893	0	0.000%	n/a
Mineral	387	0	0.000%	n/a
Montrose	16,879	0	0.000%	n/a
Otero	7,506	0	0.000%	n/a
Ouray	2,267	0	0.000%	n/a
Pitkin	8,539	0	0.000%	n/a
Rio Blanco	2,484	0	0.000%	n/a
Rio Grande	4,468	0	0.000%	n/a
Routt	10,825	0	0.000%	n/a
Saguache	2,965	0	0.000%	n/a
San Juan	374	0	0.000%	n/a
San Miguel	3,833	0	0.000%	n/a
Sedgwick	1,044	0	0.000%	n/a
Summit	13,007	0	0.000%	n/a
Teller	10,170	0	0.000%	n/a
Washington	1,945	0	0.000%	n/a
Weld	111,000	0	0.000%	n/a
Yuma	3,975	0	0.000%	n/a
Total	2,225,211	61	0.00%	36,479

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

Counties	2019 Q2 Filings	2020 Q2 Filings	Percent Change	2019 Q2 Sales	2020 Q2 Sales	Percent Change
Adams	140	22	-84.3	16	4	-75.0
Alamosa	5	0	-100.0	2	2	0.0
Arapahoe	170	20	-88.2	21	0	-100.0
Archuleta	5	0	-100.0	0	3	n/a
Baca	0	0	n/a	0	0	n/a
Bent	1	1	0.0	1	0	-100.0
Boulder	36	5	-86.1	3	2	-33.3
Broomfield	11	0	-100.0	0	0	n/a
Chaffee	2	0	-100.0	0	0	n/a
Cheyenne	0	1	n/a	0	0	n/a
Clear Creek	4	0	-100.0	2	0	-100.0
Conejos	0	0	n/a	2	1	-50.0
Costilla	0	0	n/a	1	0	-100.0
Crowley	2	0	-100.0	1	0	-100.0
Custer	5	2	-60.0	0	1	n/a
Delta	13	9	-30.8	3	2	-33.3
Denver	131	32	-75.6	18	7	-61.1
Dolores	1	0	-100.0	1	0	-100.0
Douglas	71	12	-83.1	13	4	-69.2
Eagle	15	8	-46.7	1	2	100.0
Elbert	9	0	-100.0	1	0	-100.0
El Paso	204	44	-78.4	56	4	-92.9
Fremont	14	3	-78.6	9	1	-88.9
Garfield	16	1	-93.8	7	0	-100.0
Gilpin	1	1	0.0	1	0	-100.0
Grand	7	2	-71.4	1	1	0.0
Gunnison	3	1	-66.7	0	2	n/a
Hinsdale	1	0	-100.0	0	0	n/a
Huerfano	1	1	0.0	2	0	-100.0
Jackson	0	0	n/a	0	0	n/a
Jefferson	107	25	-76.6	10	4	-60.0
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	10	2	-80.0	0	2	n/a
La Plata	10	2	-80.0	4	0	-100.0
Lake	1	1	0.0	0	0	n/a
Larimer	41	11	-73.2	5	0	-100.0
Las Animas	11	3	-72.7	4	0	-100.0
Lincoln	1	0	-100.0	1	1	0.0
Logan	8	0	-100.0	8	0	-100.0
Mesa	53	9	-83.0	17	3	-82.4
Mineral	1	0	-100.0	1	0	-100.0
Moffat	7	1	-85.7	5	3	-40.0
Montezuma	11	4	-63.6	4	3	-25.0
Montrose	6	5	-16.7	6	0	-100.0
Morgan	11	2	-81.8	2	1	-50.0

Otero	6	2	-66.7		1	0	-100.0
Ouray	1	1	0.0		1	0	-100.0
Park	12	2	-83.3		4	1	-75.0
Philips	2	0	-100.0		1	2	100.0
Pitkin	6	1	-83.3		0	0	n/a
Prowers	0	2	n/a		1	2	100.0
Pueblo	60	19	-68.3		36	3	-91.7
Rio Blanco	6	0	-100.0		2	0	-100.0
Rio Grande	7	0	-100.0		1	0	-100.0
Routt	4	0	-100.0		3	0	-100.0
Saguache	2	0	-100.0		2	0	-100.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	0	-100.0		2	0	-100.0
Sedgwick	0	2	n/a		2	0	-100.0
Summit	11	1	-90.9		2	0	-100.0
Teller	15	3	-80.0		6	0	-100.0
Washington	0	0	n/a		3	0	-100.0
Weld	75	11	-85.3		17	0	-100.0
Yuma	1	0	-100.0		2	0	-100.0
Total	1,357	274	-79.8		315	61	-80.6

Table 5: Percent change from 1st Q 2020 to 2nd Q 2020:

Counties	2020 1st Q Filings	2020 2nd Q Filings	Percent Change		2020 1st Q Sales	2020 2nd Q Sales	Percent Change
Adams	146	22	-84.9		25	4	-84.0
Alamosa	5	0	-100.0		0	2	n/a
Arapahoe	153	20	-86.9		18	0	-100.0
Archuleta	4	0	-100.0		0	3	n/a
Baca	0	0	n/a		2	0	-100.0
Bent	1	1	0.0		1	0	-100.0
Boulder	33	5	-84.8		9	2	-77.8
Broomfield	11	0	-100.0		1	0	-100.0
Chaffee	0	0	n/a		3	0	-100.0
Cheyenne	0	1	n/a		0	0	n/a
Clear Creek	4	0	-100.0		0	0	n/a
Conejos	3	0	-100.0		1	1	0.0
Costilla	1	0	-100.0		1	0	-100.0
Crowley	1	0	-100.0		0	0	n/a
Custer	0	2	n/a		2	1	-50.0
Delta	9	9	0.0		2	2	0.0
Denver	147	32	-78.2		25	7	-72.0
Dolores	1	0	-100.0		0	0	n/a
Douglas	73	12	-83.6		11	4	-63.6
Eagle	13	8	-38.5		2	2	0.0
Elbert	11	0	-100.0		2	0	-100.0
El Paso	201	44	-78.1		41	4	-90.2
Fremont	16	3	-81.3		7	1	-85.7
Garfield	25	1	-96.0		3	0	-100.0
Gilpin	1	1	0.0		0	0	n/a
Grand	9	2	-77.8		0	1	n/a
Gunnison	2	1	-50.0		0	2	n/a
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	3	1	-66.7		0	0	n/a
Jackson	1	0	-100.0		1	0	-100.0
Jefferson	117	25	-78.6		20	4	-80.0
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	1	2	100.0		0	2	n/a
La Plata	10	2	-80.0		4	0	-100.0
Lake	1	1	0.0		1	0	-100.0
Larimer	57	11	-80.7		4	0	-100.0
Las Animas	10	3	-70.0		3	0	-100.0
Lincoln	1	0	-100.0		1	1	0.0
Logan	4	0	-100.0		3	0	-100.0
Mesa	59	9	-84.7		16	3	-81.3
Mineral	0	0	n/a		0	0	n/a

Moffat	13	1	-92.3		6	3	-50.0
Montezuma	4	4	0.0		3	3	0.0
Montrose	11	5	-54.5		2	0	-100.0
Morgan	7	2	-71.4		3	1	-66.7
Otero	6	2	-66.7		7	0	-100.0
Ouray	0	1	n/a		1	0	-100.0
Park	12	2	-83.3		4	1	-75.0
Philips	1	0	-100.0		0	2	n/a
Pitkin	5	1	-80.0		5	0	-100.0
Prowers	8	2	-75.0		3	2	-33.3
Pueblo	66	19	-71.2		35	3	-91.4
Rio Blanco	5	0	-100.0		5	0	-100.0
Rio Grande	8	0	-100.0		2	0	-100.0
Routt	9	0	-100.0		0	0	n/a
Saguache	2	0	-100.0		0	0	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	4	0	-100.0		1	0	-100.0
Sedgwick	0	2	n/a		0	0	n/a
Summit	3	1	-66.7		0	0	n/a
Teller	8	3	-62.5		7	0	-100.0
Washington	3	0	-100.0		1	0	-100.0
Weld	85	11	-87.1		13	0	-100.0
Yuma	3	0	-100.0		0	0	n/a
Totals	1,397	274	-80.4		307	61	-80.1

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

Counties	2019 Q2 Filings	2019 Q3 Filings	2019 Q4 Filings	2020 Q1 Filings	2020 Q2 Filings		2019 Q2 Sales	2019 Q3 Sales	2019 Q4 Sales	2020 Q1 Sales	2020 Q2 Sales
Adams	140	165	179	146	22		16	21	19	25	4
Alamosa	5	5	7	5	0		2	4	3	0	2
Arapahoe	170	153	141	153	20		21	23	22	18	0
Archuleta	5	2	4	4	0		0	2	0	0	3
Baca	0	2	0	0	0		0	1	0	2	0
Bent	1	1	1	1	1		1	1	1	1	0
Boulder	36	30	37	33	5		3	2	4	9	2
Broomfield	11	11	10	11	0		0	2	0	1	0
Chaffee	2	2	4	0	0		0	0	0	3	0
Cheyenne	0	0	2	0	1		0	0	0	0	0
Clear Creek	4	4	1	4	0		2	1	1	0	0
Conejos	0	4	1	3	0		2	1	1	1	1
Costilla	0	1	1	1	0		1	0	1	1	0
Crowley	2	0	0	1	0		1	0	0	0	0
Custer	5	4	1	0	2		0	0	3	2	1
Delta	13	8	9	9	9		3	5	3	2	2
Denver	131	147	153	147	32		18	25	23	25	7
Dolores	1	1	1	1	0		1	1	1	0	0
Douglas	71	45	55	73	12		13	12	2	11	4
Eagle	15	17	10	13	8		1	3	8	2	2
Elbert	9	11	7	11	0		1	0	4	2	0
El Paso	204	224	168	201	44		56	49	46	41	4
Fremont	14	16	20	16	3		9	8	8	7	1
Garfield	16	10	15	25	1		7	6	5	3	0
Gilpin	1	2	3	1	1		1	0	1	0	0
Grand	7	7	3	9	2		1	1	1	0	1
Gunnison	3	3	10	2	1		0	0	0	0	2
Hinsdale	1	0	0	0	0		0	0	0	0	0
Huerfano	1	5	3	3	1		2	0	0	0	0
Jackson	0	0	0	1	0		0	0	0	1	0
Jefferson	107	95	135	117	25		10	12	15	20	4
Kiowa	0	0	2	0	0		0	0	0	0	0
Kit Carson	10	2	5	1	2		0	4	2	0	2

La Plata	10	7	15	10	2		4	7	3	4	0
Lake	1	2	3	1	1		0	1	0	1	0
Larimer	41	54	54	57	11		5	5	5	4	0
Las Animas	11	4	5	10	3		4	2	5	3	0
Lincoln	1	2	6	1	0		1	0	1	1	1
Logan	8	4	4	4	0		8	2	1	3	0
Mesa	53	49	44	59	9		17	28	24	16	3
Mineral	1	1	0	0	0		1	0	0	0	0
Moffat	7	10	9	13	1		5	3	6	6	3
Montezuma	11	6	5	4	4		4	5	5	3	3
Montrose	6	7	9	11	5		6	6	1	2	0
Morgan	11	11	11	7	2		2	8	7	3	1
Otero	6	11	6	6	2		1	5	4	7	0
Ouray	1	3	3	0	1		1	1	1	1	0
Park	12	13	3	12	2		4	8	0	4	1
Philips	2	2	5	1	0		1	1	1	0	2
Pitkin	6	6	4	5	1		0	2	1	5	0
Prowers	0	4	1	8	2		1	0	1	3	2
Pueblo	60	77	90	66	19		36	32	25	35	3
Rio Blanco	6	9	3	5	0		2	4	5	5	0
Rio Grande	7	3	1	8	0		1	1	1	2	0
Routt	4	5	8	9	0		3	1	1	0	0
Saguache	2	0	1	2	0		2	3	0	0	0
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	3	2	2	4	0		2	1	0	1	0
Sedgwick	0	0	0	0	2		2	0	0	0	0
Summit	11	9	4	3	1		2	0	7	0	0
Teller	15	9	11	8	3		6	3	1	7	0
Washington	0	4	0	3	0		3	1	2	1	0
Weld	75	68	95	85	11		17	21	15	13	0
Yuma	1	1	0	3	0		2	0	0	0	0
Totals	1,357	1,360	1,390	1,397	274		315	335	297	307	61