



COLORADO

Department of Local Affairs

Division of Housing

3rd Quarter 2020 Foreclosure Report

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

Nov 30, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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.

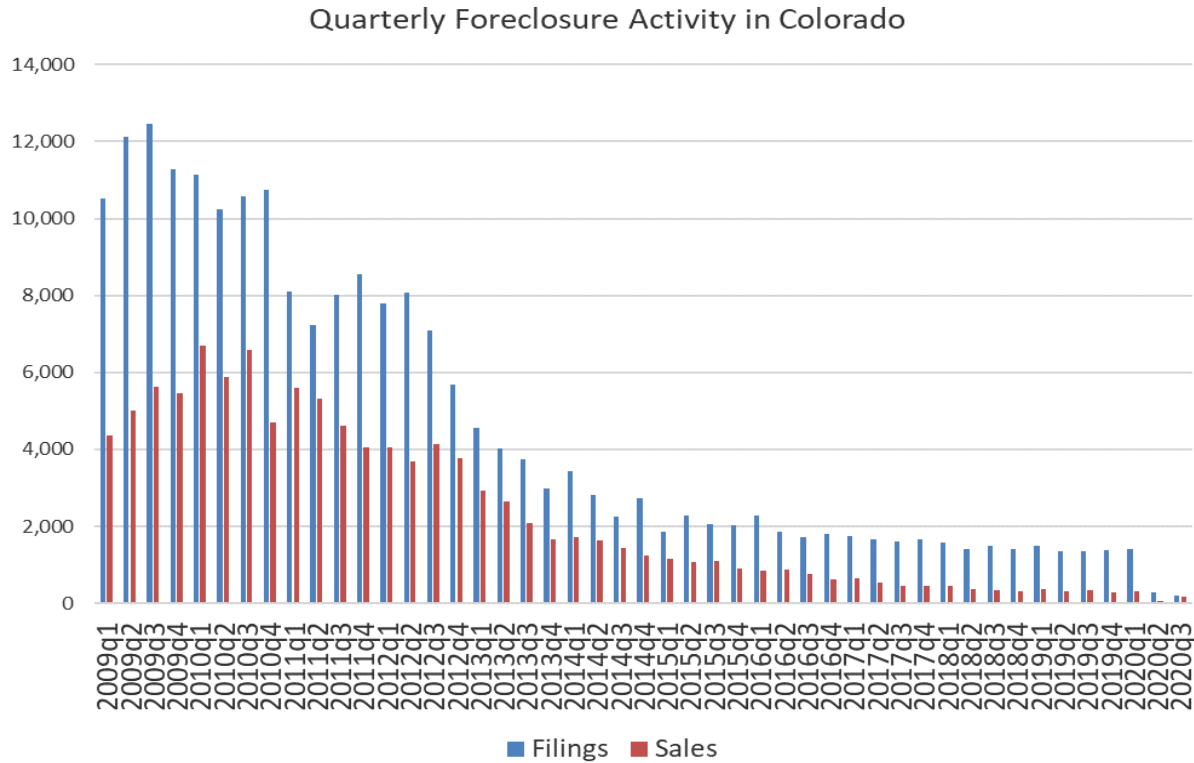
Study Findings

During the third quarter of 2020, Colorado public trustees reported 212 foreclosure filings and 163 sales at auction (completed foreclosures). During the third quarter of the previous year (2019), there were 1,361 filings and 335 sales. Comparing year-over-year for the third quarter, foreclosure filings fell 84.4 percent and completed foreclosures fell 51.3 percent.

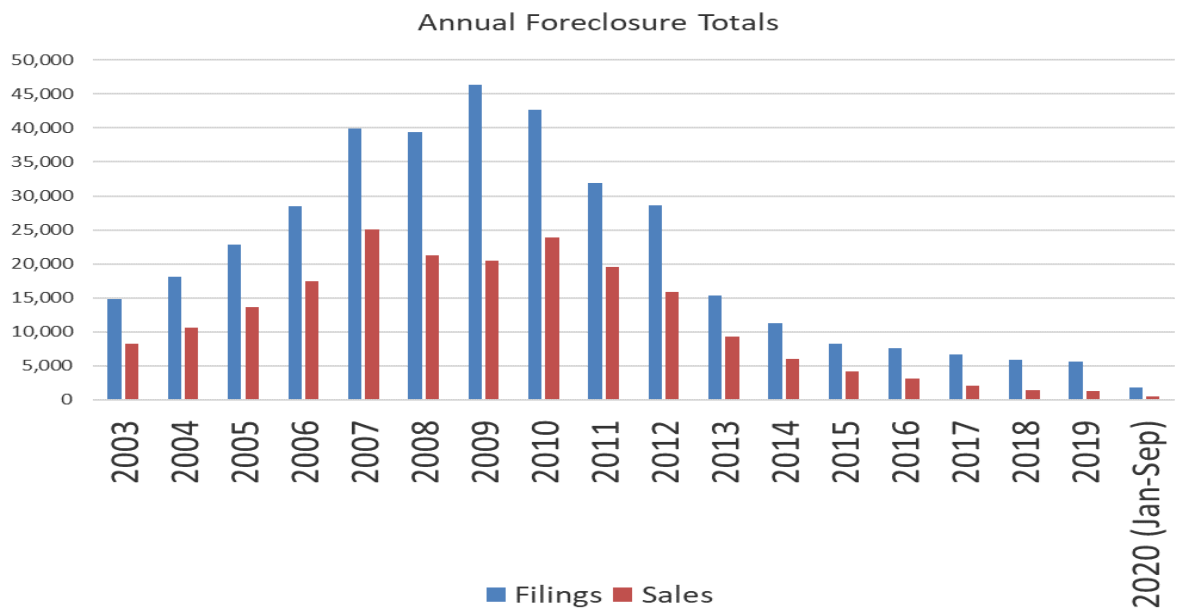
Comparing the third quarter of 2020 to the second quarter of 2020, foreclosure filings fell 22.6 percent from 274 to 212. Foreclosure sales rose 167.2 percent from 61 to 163 during the same period.

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

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-Sep)	1,882

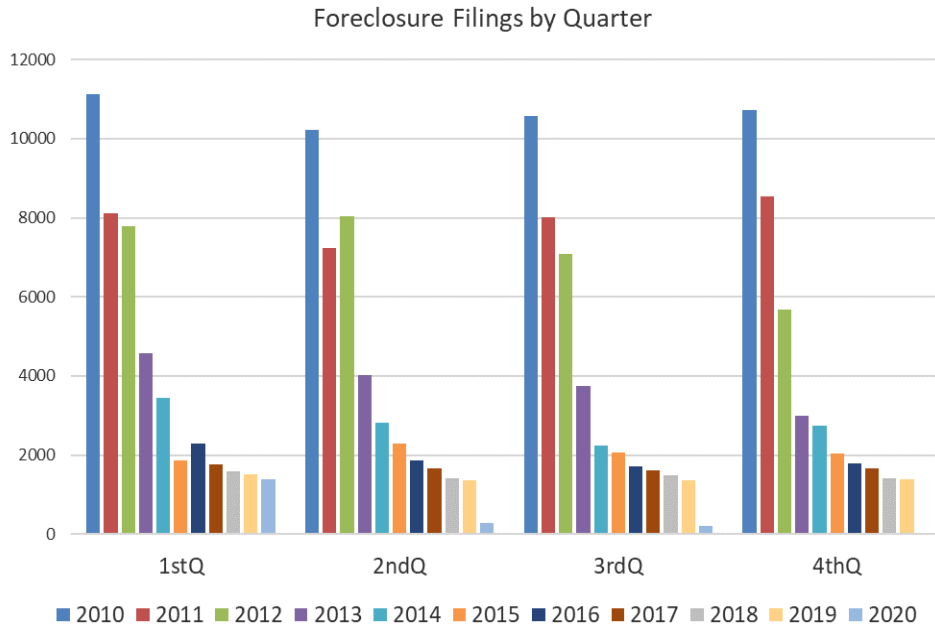
Table 2: Foreclosure Sales at Auction

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-Sep)	531

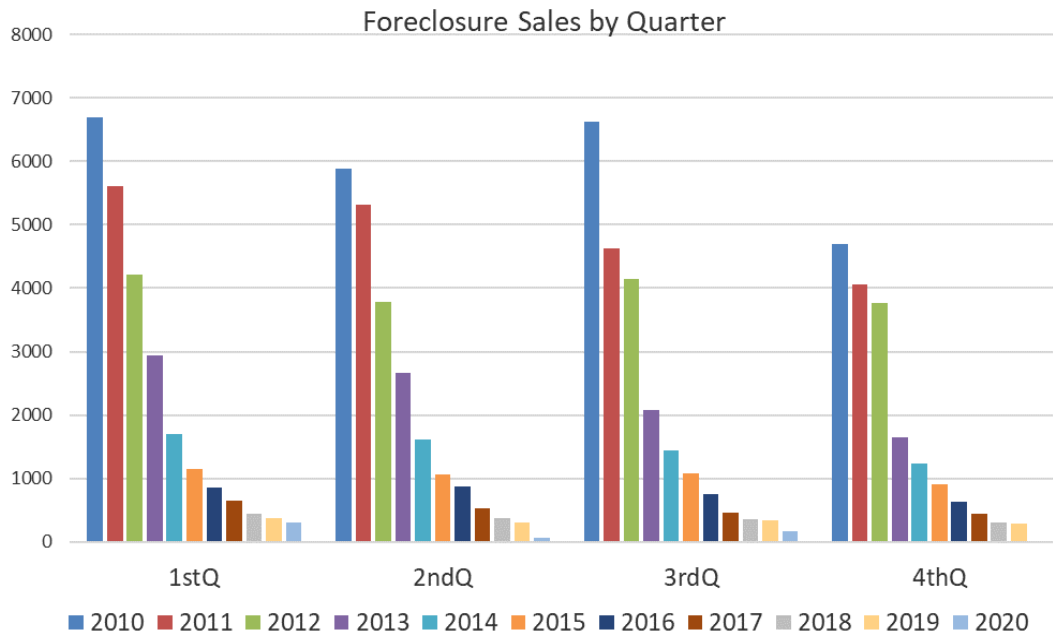
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the third quarter of 2020, both filings and sales fell to the lowest third-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.



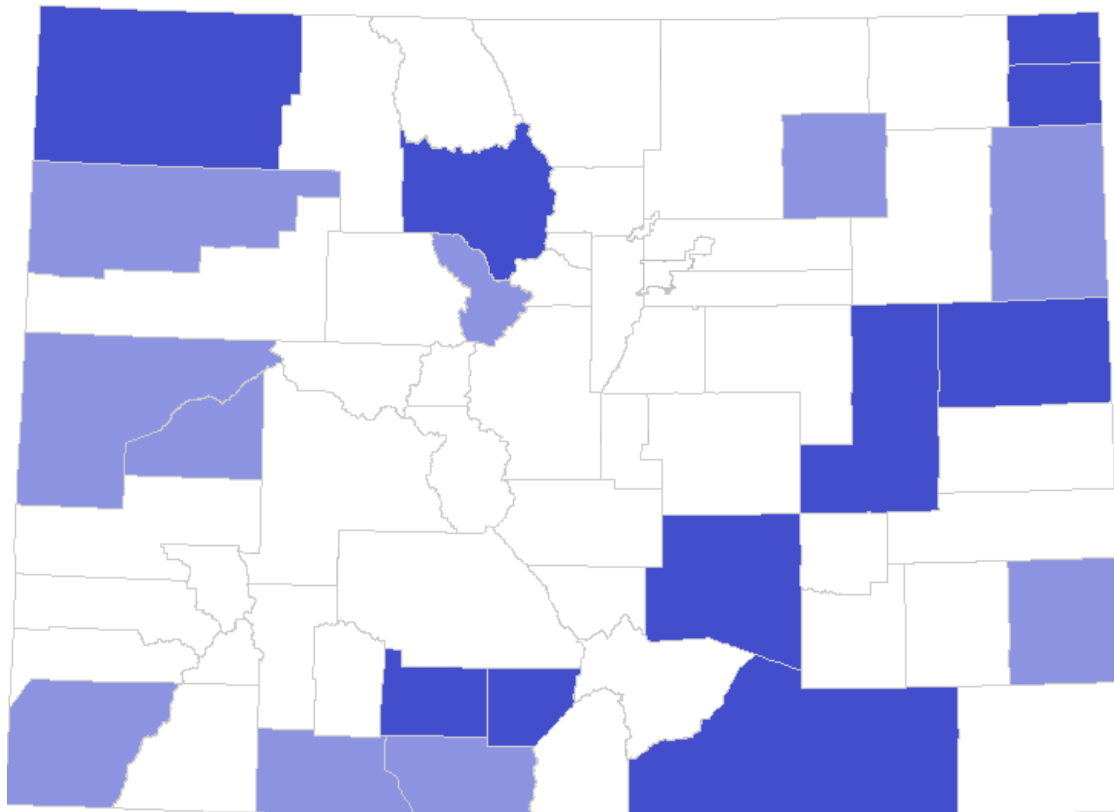
County Statistics

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 continuing moratorium on evictions in place during the second and third quarters, and the subsequent lack of foreclosure activity overall, foreclosure sales were remarkably low during the third quarter. 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 that we might consider their foreclosure rates to be virtually zero.

Map 1: Foreclosure rates in Colorado Counties, 3rd 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 13,652 households for the third quarter of 2020.

Pueblo County was the only metropolitan county (e.g., Arapahoe County, Mesa County) among the top ten counties for foreclosure sales rates. Most of the counties in the top ten were rural counties including Philips, Moffat, Lincoln, 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. The economic situation looks much different in 2020. 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. But this is unlikely to be reflected in 2020's foreclosure data.

Under normal circumstances, rising unemployment would bring higher foreclosure rates. However, 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 and third quarters than is normally the case. These exceptionally low numbers in foreclosure activity are likely to continue to the end of the year due to a variety of emergency policies put in place by Governor Polis, in an attempt to lessen the number of evictions and foreclosures this year. At this time, it is prudent to not interpret the second and third quarters' foreclosure activity as indicative of any general underlying trends in economic strength.

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 3rd 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	3	0.100%	998
Sedgwick	1,044	1	0.096%	1,044
Moffat	5,468	5	0.091%	1,094
Rio Grande	4,468	3	0.067%	1,489
Grand	6,785	4	0.059%	1,696
Pueblo	66,326	38	0.057%	1,745
Las Animas	5,914	3	0.051%	1,971
Lincoln	2,009	1	0.050%	2,009
Alamosa	6,249	3	0.048%	2,083
Rio Blanco	2,484	1	0.040%	2,484
Archuleta	5,999	2	0.033%	3,000
Conejos	3,071	1	0.033%	3,071
Yuma	3,975	1	0.025%	3,975
Prowers	4,745	1	0.021%	4,745
Morgan	10,419	2	0.019%	5,210
Montezuma	10,803	2	0.019%	5,402
Delta	12,692	2	0.016%	6,346
Summit	13,007	2	0.015%	6,504
Mesa	60,387	9	0.015%	6,710
Gunnison	7,271	1	0.014%	7,271
Park	8,221	1	0.012%	8,221
Weld	111,000	13	0.012%	8,538
Fremont	17,121	2	0.012%	8,561
Eagle	20,272	2	0.010%	10,136
Teller	10,170	1	0.010%	10,170
Montrose	16,879	1	0.006%	16,879
El Paso	270,780	13	0.005%	20,829
Arapahoe	253,318	12	0.005%	21,110
Adams	172,120	8	0.005%	21,515
Broomfield	26,498	1	0.004%	26,498
Larimer	140,370	5	0.004%	28,074
Douglas	122,468	4	0.003%	30,617
Jefferson	236,413	6	0.003%	39,402
Denver	315,805	5	0.002%	63,161
Boulder	131,050	2	0.002%	65,525
Baca	1,575	0	0.000%	n/a
Bent	1,661	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
Logan	7,893	0	0.000%	n/a
Mineral	387	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
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
Washington	1,945	0	0.000%	n/a
Custer	2,304	0	0.000%	n/a
Total	2,225,211	163	0.01%	13,652

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

Counties	2019 Q3 Filings	2020 Q3 Filings	Percent Change	2019 Q3 Sales	2020 Q3 Sales	Percent Change
Adams	165	18	-89.1	21	8	-61.9
Alamosa	5	1	-80.0	4	3	-25.0
Arapahoe	153	23	-85.0	23	12	-47.8
Archuleta	2	2	0.0	2	2	0.0
Baca	2	0	-100.0	1	0	-100.0
Bent	1	1	0.0	1	0	-100.0
Boulder	30	4	-86.7	2	2	0.0
Broomfield	11	1	-90.9	2	1	-50.0
Chaffee	2	0	-100.0	0	0	n/a
Cheyenne	0	2	n/a	0	0	n/a
Clear Creek	4	1	-75.0	1	0	-100.0
Conejos	4	1	-75.0	1	1	0.0
Costilla	1	0	-100.0	0	0	n/a
Crowley	0	1	n/a	0	0	n/a
Custer	4	2	-50.0	0	0	n/a
Delta	8	3	-62.5	5	2	-60.0
Denver	147	20	-86.4	25	5	-80.0
Dolores	1	0	-100.0	1	0	-100.0
Douglas	45	6	-86.7	12	4	-66.7
Eagle	17	5	-70.6	3	2	-33.3
Elbert	11	1	-90.9	0	0	n/a
El Paso	224	13	-94.2	49	13	-73.5
Fremont	16	3	-81.3	8	2	-75.0
Garfield	10	4	-60.0	6	0	-100.0
Gilpin	2	1	-50.0	0	0	n/a
Grand	7	0	-100.0	1	4	300.0
Gunnison	3	1	-66.7	0	1	n/a
Hinsdale	0	0	n/a	0	0	n/a
Huerfano	5	1	-80.0	0	0	n/a
Jackson	0	1	n/a	0	0	n/a
Jefferson	95	10	-89.5	12	6	-50.0
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	2	3	50.0	4	3	-25.0
La Plata	7	6	-14.3	7	0	-100.0
Lake	2	1	-50.0	1	0	-100.0
Larimer	54	8	-85.2	5	5	0.0
Las Animas	4	1	-75.0	2	3	50.0
Lincoln	2	1	-50.0	0	1	n/a
Logan	4	3	-25.0	2	0	-100.0
Mesa	49	10	-79.6	28	9	-67.9
Mineral	1	1	0.0	0	0	n/a
Moffat	10	2	-80.0	3	5	66.7
Montezuma	6	2	-66.7	5	2	-60.0
Montrose	7	1	-85.7	6	1	-83.3

Morgan	11	1	-90.9		8	2	-75.0
Otero	11	1	-90.9		5	0	-100.0
Ouray	3	0	-100.0		1	0	-100.0
Park	13	1	-92.3		8	1	-87.5
Philips	2	0	-100.0		1	2	100.0
Pitkin	6	2	-66.7		2	0	-100.0
Prowers	4	0	-100.0		0	1	n/a
Pueblo	77	14	-81.8		32	38	18.8
Rio Blanco	9	0	-100.0		4	1	-75.0
Rio Grande	3	1	-66.7		1	3	200.0
Routt	6	2	-66.7		1	0	-100.0
Saguache	0	1	n/a		3	0	-100.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	2	1	-50.0		1	0	-100.0
Sedgwick	0	1	n/a		0	1	n/a
Summit	9	11	22.2		0	2	n/a
Teller	9	2	-77.8		3	1	-66.7
Washington	4	0	-100.0		1	0	-100.0
Weld	68	9	-86.8		21	13	-38.1
Yuma	1	0	-100.0		0	1	n/a
Total	1,361	212	-84.4		335	163	-51.3

Table 5: Percent change from 2nd Q 2020 to 3rd Q 2020:

Counties	2020 2nd Q Filings	2020 3rd Q Filings	Percent Change		2020 2nd Q Sales	2020 3rd Q Sales	Percent Change
Adams	22	18	-18.2		4	8	100.0
Alamosa	0	1	n/a		2	3	50.0
Arapahoe	20	23	15.0		0	12	n/a
Archuleta	0	2	n/a		3	2	-33.3
Baca	0	0	n/a		0	0	n/a
Bent	1	1	0.0		0	0	n/a
Boulder	5	4	-20.0		2	2	0.0
Broomfield	0	1	n/a		0	1	n/a
Chaffee	0	0	n/a		0	0	n/a
Cheyenne	1	2	100.0		0	0	n/a
Clear Creek	0	1	n/a		0	0	n/a
Conejos	0	1	n/a		1	1	0.0
Costilla	0	0	n/a		0	0	n/a
Crowley	0	1	n/a		0	0	n/a
Custer	2	2	0.0		1	0	-100.0
Delta	9	3	-66.7		2	2	0.0
Denver	32	20	-37.5		7	5	-28.6
Dolores	0	0	n/a		0	0	n/a
Douglas	12	6	-50.0		4	4	0.0
Eagle	8	5	-37.5		2	2	0.0
Elbert	0	1	n/a		0	0	n/a
El Paso	44	13	-70.5		4	13	225.0
Fremont	3	3	0.0		1	2	100.0
Garfield	1	4	300.0		0	0	n/a
Gilpin	1	1	0.0		0	0	n/a
Grand	2	0	-100.0		1	4	300.0
Gunnison	1	1	0.0		2	1	-50.0
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	1	1	0.0		0	0	n/a
Jackson	0	1	n/a		0	0	n/a
Jefferson	25	10	-60.0		4	6	50.0
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	2	3	50.0		2	3	50.0
La Plata	2	6	200.0		0	0	n/a
Lake	1	1	0.0		0	0	n/a
Larimer	11	8	-27.3		0	5	n/a
Las Animas	3	1	-66.7		0	3	n/a
Lincoln	0	1	n/a		1	1	0.0
Logan	0	3	n/a		0	0	n/a
Mesa	9	10	11.1		3	9	200.0
Mineral	0	1	n/a		0	0	n/a
Moffat	1	2	100.0		3	5	66.7

Montezuma	4	2	-50.0		3	2	-33.3
Montrose	5	1	-80.0		0	1	n/a
Morgan	2	1	-50.0		1	2	100.0
Otero	2	1	-50.0		0	0	n/a
Ouray	1	0	-100.0		0	0	n/a
Park	2	1	-50.0		1	1	0.0
Philips	0	0	n/a		2	2	0.0
Pitkin	1	2	100.0		0	0	n/a
Prowers	2	0	-100.0		2	1	-50.0
Pueblo	19	14	-26.3		3	38	1166.7
Rio Blanco	0	0	n/a		0	1	n/a
Rio Grande	0	1	n/a		0	3	n/a
Routt	0	2	n/a		0	0	n/a
Saguache	0	1	n/a		0	0	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	0	1	n/a		0	0	n/a
Sedgwick	2	1	-50.0		0	1	n/a
Summit	1	11	1000.0		0	2	n/a
Teller	3	2	-33.3		0	1	n/a
Washington	0	0	n/a		0	0	n/a
Weld	11	9	-18.2		0	13	n/a
Yuma	0	0	n/a		0	1	n/a
Totals	274	212	-22.6		61	163	167.2

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

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

La Plata	7	15	10	2	6		7	3	4	0	0
Lake	2	3	1	1	1		1	0	1	0	0
Larimer	54	54	57	11	8		5	5	4	0	5
Las Animas	4	5	10	3	1		2	5	3	0	3
Lincoln	2	6	1	0	1		0	1	1	1	1
Logan	4	4	4	0	3		2	1	3	0	0
Mesa	49	44	59	9	10		28	24	16	3	9
Mineral	1	0	0	0	1		0	0	0	0	0
Moffat	10	9	13	1	2		3	6	6	3	5
Montezuma	6	5	4	4	2		5	5	3	3	2
Montrose	7	9	11	5	1		6	1	2	0	1
Morgan	11	11	7	2	1		8	7	3	1	2
Otero	11	6	6	2	1		5	4	7	0	0
Ouray	3	3	0	1	0		1	1	1	0	0
Park	13	3	12	2	1		8	0	4	1	1
Philips	2	5	1	0	0		1	1	0	2	2
Pitkin	6	4	5	1	2		2	1	5	0	0
Prowers	4	1	8	2	0		0	1	3	2	1
Pueblo	77	90	66	19	14		32	25	35	3	38
Rio Blanco	9	3	5	0	0		4	5	5	0	1
Rio Grande	3	1	8	0	1		1	1	2	0	3
Routt	5	8	9	0	2		1	1	0	0	0
Saguache	0	1	2	0	1		3	0	0	0	0
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	2	2	4	0	1		1	0	1	0	0
Sedgwick	0	0	0	2	1		0	0	0	0	1
Summit	9	4	3	1	11		0	7	0	0	2
Teller	9	11	8	3	2		3	1	7	0	1
Washington	4	0	3	0	0		1	2	1	0	0
Weld	68	95	85	11	9		21	15	13	0	13
Yuma	1	0	3	0	0		0	0	0	0	1
Totals	1,360	1,390	1,397	274	212		335	297	307	61	163