



COLORADO

Department of Local Affairs

Division of Housing

1st Quarter 2021 Foreclosure Report

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

May 21, 2021

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

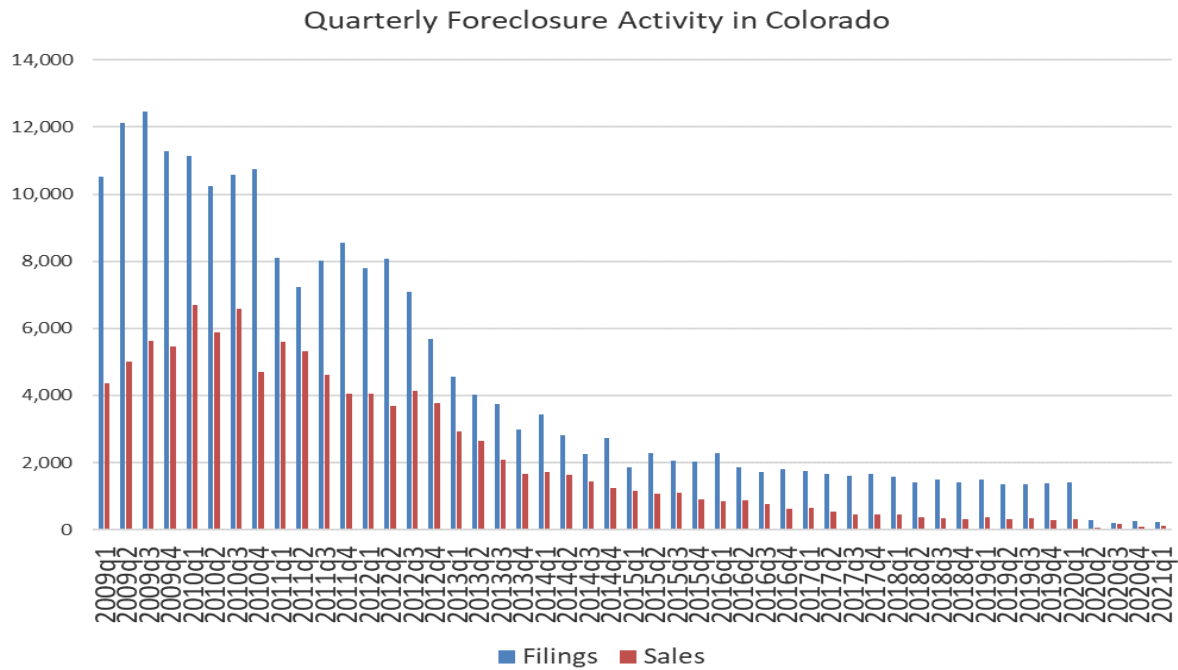
During the first quarter of 2021, Colorado public trustees reported 226 foreclosure filings and 103 sales at auction (completed foreclosures). During the first quarter of the previous year (2020), there were 1,397 filings and 307 sales. Comparing year-over-year for the first quarter, foreclosure filings fell 83.8 percent and completed foreclosures fell 66.4 percent.

Comparing the fourth quarter of 2020 to the first quarter of 2021, foreclosure filings fell 8.9 percent from 248 to 226. Foreclosure sales rose 6.2 percent from 97 to 103 during the same period.

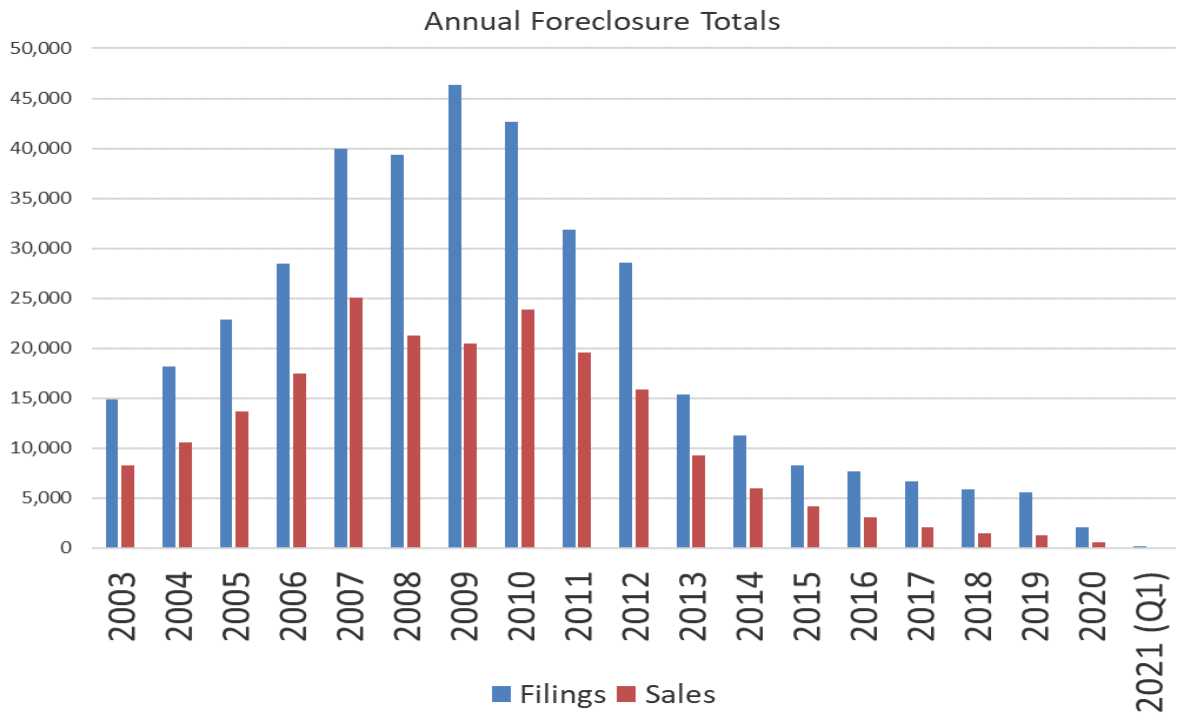
Foreclosure activity was down drastically in 2020 compared to the previous year, and the trend has now carried over into the first quarter of 2021. This was likely due in part to a variety of state and federal regulatory limits on processing foreclosures that were implemented in the second quarter of 2020, and in many cases extended well into the second half of the year. Numerous financial institutions in the United States also declared slowdowns or suspensions on foreclosure processing in 2020 as a result of the Covid-19 pandemic. Moreover, demand for Colorado real estate has remained relatively strong and home prices continue to appreciate in many areas. In places where it is easy to sell one's home, it is easier to avoid foreclosure.

Through the end of the first quarter this year, there are few signs that foreclosure processing is returning to "normal," and it remains unclear how long current unusual conditions will last.

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	2,130
2021 (Jan-Mar)	226

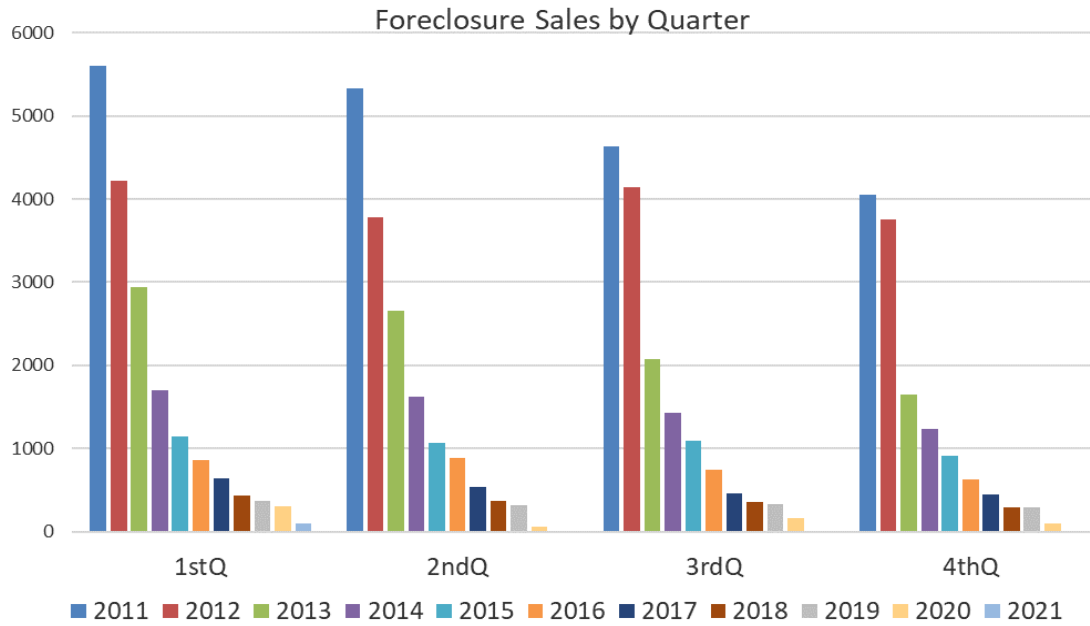
Table 2: Foreclosure Sales at Auction

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	628
2021	103

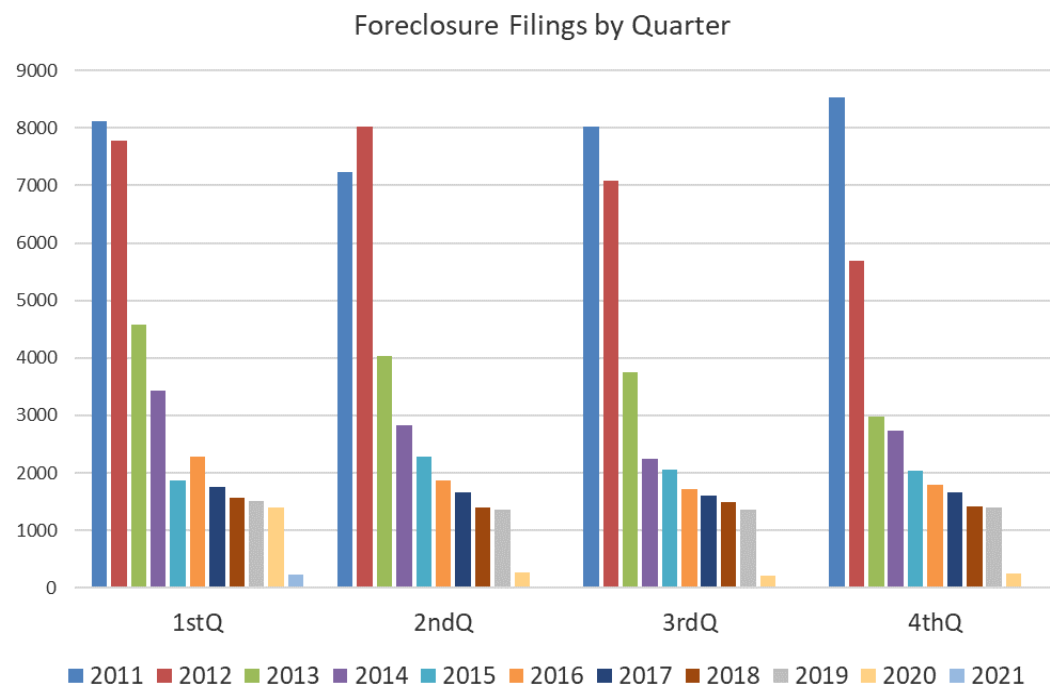
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the first quarter of 2021, both filings and sales remains down significantly year over year.

Graph 3: Foreclosure filings separated by quarter and year.



Graph 4: Foreclosure filings separated by quarter and year.

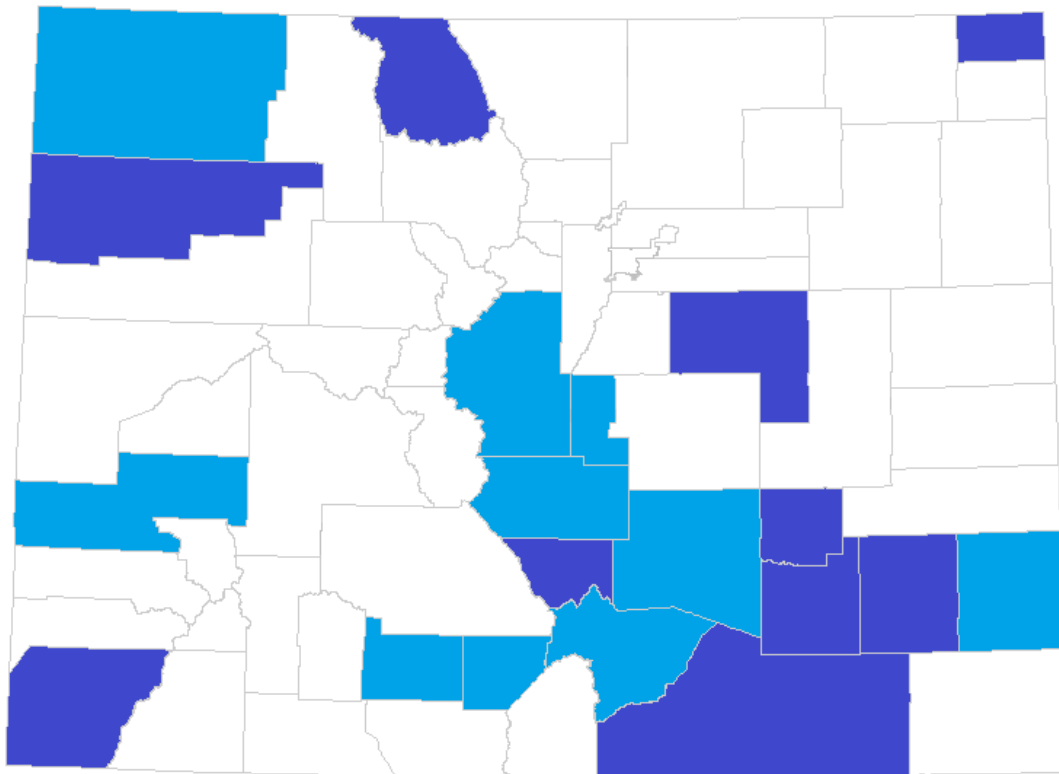


County Statistics

Trends in different counties throughout the state vary considerably. During 2020 and 2021, however, matters are difficult to interpret due to rapid changes in the employment situation, legal changes affecting real estate, and an apparent lack of foreclosure processing by servicers and lenders.

The map below shows relative foreclosure rates in each county. This quarter's map is unusual. Due to the unusual lack of foreclosure activity overall, foreclosure sales were remarkably low during the first quarter. Here, the map has been colored simply to reflect the top-ten highest foreclosure sales 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, 1st Quarter 2021



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

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 21,886 households for the first quarter of 2021.

No metropolitan counties (e.g., Arapahoe County, Mesa County) were among the top ten counties for foreclosure sales rates during the first quarter. Most of the counties in the top ten were rural

counties including Jackson, Crowley, and Rio Blanco counties. But, foreclosure activity in all counties remained very 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 looked 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. Unemployment and applications for unemployment insurance remained elevated throughout the year. Rising unemployment would normally lead to rising foreclosure activity. In 2020 and early 2021, however, rising unemployment did not significantly depress the demand for real estate due to ongoing renewals in unemployment payments, plus additional funds paid out to households in stimulus payments.

Moreover, due to a variety of regulatory restrictions on foreclosures, and voluntary decisions by lenders, far fewer foreclosure filings and foreclosure sales were carried out in Colorado during the second, third, and fourth quarters than is normally the case. For example, throughout much of 2020, the Federal Housing and Finance Agency (FHFA) established moratoria on foreclosures for mortgages backed by Fannie Mae and Freddie Mac.

The effects of these changes and policies have apparently continued through the first quarter of 2021. The Federal Housing and Finance Agency has announced another extension of its moratorium on foreclosures to continue into June of 2021. Federal foreclosure relief programs have also been continued, and an apparent unwillingness on the part of financial institutions to return to earlier foreclosure processing timelines will likely push down total foreclosure activity in the first half of 2021. At this time, it is prudent to not interpret 2020's 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 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 (2019 estimates)	2021 1st Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Jackson	644	1	0.155%	644
Sedgwick	1,023	1	0.098%	1,023
Rio Blanco	2,496	2	0.080%	1,248
Crowley	1,333	1	0.075%	1,333
Bent	1,649	1	0.061%	1,649
Elbert	9,687	5	0.052%	1,937
Montezuma	10,804	5	0.046%	2,161
Custer	2,364	1	0.042%	2,364
Otero	7,459	3	0.040%	2,486
Las Animas	5,932	2	0.034%	2,966
Huerfano	3,206	1	0.031%	3,206
Park	8,349	2	0.024%	4,175
Fremont	17,050	4	0.023%	4,263
Rio Grande	4,476	1	0.022%	4,476
Prowers	4,763	1	0.021%	4,763
Pueblo	66,722	13	0.019%	5,132
Teller	10,286	2	0.019%	5,143
Moffat	5,498	1	0.018%	5,498
Montrose	17,086	3	0.018%	5,695
Alamosa	6,249	1	0.016%	6,249
Gunnison	7,416	1	0.013%	7,416
Mesa	60,926	8	0.013%	7,616
Logan	7,934	1	0.013%	7,934
Pitkin	8,483	1	0.012%	8,483
Routt	10,813	1	0.009%	10,813
Garfield	21,729	2	0.009%	10,865
Delta	12,790	1	0.008%	12,790
Eagle	20,366	1	0.005%	20,366
La Plata	23,147	1	0.004%	23,147
Arapahoe	255,165	10	0.004%	25,517
Adams	176,427	5	0.003%	35,285
Weld	114,605	3	0.003%	38,202
Denver	320,955	8	0.002%	40,119
Douglas	125,570	3	0.002%	41,857
Jefferson	237,772	3	0.001%	79,257
Boulder	131,665	1	0.001%	131,665
Larimer	142,933	1	0.001%	142,933
El Paso	273,847	1	0.000%	273,847

Archuleta	6,111	0	0.000%	n/a
Baca	1,580	0	0.000%	n/a
Broomfield	27,142	0	0.000%	n/a
Chaffee	8,671	0	0.000%	n/a
Cheyenne	779	0	0.000%	n/a
Clear Creek	4,498	0	0.000%	n/a
Conejos	3,081	0	0.000%	n/a
Costilla	1,704	0	0.000%	n/a
Dolores	888	0	0.000%	n/a
Gilpin	2,822	0	0.000%	n/a
Grand	6,886	0	0.000%	n/a
Hinsdale	350	0	0.000%	n/a
Kiowa	617	0	0.000%	n/a
Kit Carson	2,981	0	0.000%	n/a
Lake	3,298	0	0.000%	n/a
Lincoln	2,079	0	0.000%	n/a
Mineral	381	0	0.000%	n/a
Morgan	10,529	0	0.000%	n/a
Ouray	2,323	0	0.000%	n/a
Philips	1,807	0	0.000%	n/a
Saguache	2,965	0	0.000%	n/a
San Juan	358	0	0.000%	n/a
San Miguel	3,832	0	0.000%	n/a
Summit	13,005	0	0.000%	n/a
Washington	1,948	0	0.000%	n/a
Yuma	3,998	0	0.000%	n/a
Total	2,254,252	103	0.005%	21,886

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

Counties	2020 Q1 Filings	2021 Q1 Filings	Percent Change	2020 Q1 Sales	2021 Q1 Sales	Percent Change
Adams	146	16	-89.0	25	5	-80.0
Alamosa	5	2	-60.0	0	1	n/a
Arapahoe	153	19	-87.6	18	10	-44.4
Archuleta	4	1	-75.0	0	0	n/a
Baca	0	0	n/a	2	0	-100.0
Bent	1	1	0.0	1	1	0.0
Boulder	33	6	-81.8	9	1	-88.9
Broomfield	11	2	-81.8	1	0	-100.0
Chaffee	0	0	n/a	3	0	-100.0
Cheyenne	0	0	n/a	0	0	n/a
Clear Creek	4	3	-25.0	0	0	n/a
Conejos	3	0	-100.0	1	0	-100.0
Costilla	1	0	-100.0	1	0	-100.0
Crowley	1	1	0.0	0	1	n/a
Custer	0	1	n/a	2	1	-50.0
Delta	9	7	-22.2	2	1	-50.0
Denver	147	17	-88.4	25	8	-68.0
Dolores	1	0	-100.0	0	0	n/a
Douglas	73	11	-84.9	11	3	-72.7
Eagle	13	1	-92.3	2	1	-50.0
Elbert	11	2	-81.8	2	1	-50.0
El Paso	201	21	-89.6	41	5	-87.8
Fremont	16	1	-93.8	7	4	-42.9
Garfield	25	3	-88.0	3	2	-33.3
Gilpin	1	0	-100.0	0	0	n/a
Grand	9	0	-100.0	0	0	n/a
Gunnison	2	0	-100.0	0	1	n/a
Hinsdale	0	1	n/a	0	0	n/a
Huerfano	3	0	-100.0	0	1	n/a
Jackson	1	1	0.0	1	1	0.0
Jefferson	117	8	-93.2	20	3	-85.0
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	1	1	0.0	0	0	n/a
La Plata	10	3	-70.0	4	1	-75.0
Lake	1	0	-100.0	1	0	-100.0
Larimer	57	14	-75.4	4	1	-75.0
Las Animas	10	6	-40.0	3	2	-33.3
Lincoln	1	0	-100.0	1	0	-100.0
Logan	4	14	250.0	3	1	-66.7
Mesa	59	2	-96.6	16	8	-50.0
Mineral	0	0	n/a	0	0	n/a
Moffat	13	2	-84.6	6	1	-83.3
Montezuma	4	6	50.0	3	5	66.7
Montrose	11	4	-63.6	2	3	50.0

Morgan	7	5	-28.6		3	0	-100.0
Otero	6	5	-16.7		7	3	-57.1
Ouray	0	0	n/a		1	0	-100.0
Park	12	2	-83.3		4	2	-50.0
Philips	1	0	-100.0		0	0	n/a
Pitkin	5	1	-80.0		5	1	-80.0
Prowers	8	1	-87.5		3	1	-66.7
Pueblo	66	19	-71.2		35	13	-62.9
Rio Blanco	5	0	-100.0		5	2	-60.0
Rio Grande	8	5	-37.5		2	1	-50.0
Routt	9	0	-100.0		0	1	n/a
Saguache	2	1	-50.0		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	0	n/a		0	1	n/a
Summit	3	0	-100.0		0	0	n/a
Teller	8	2	-75.0		7	2	-71.4
Washington	3	1	-66.7		1	0	-100.0
Weld	85	7	-91.8		13	3	-76.9
Yuma	3	0	-100.0		0	0	n/a
Total	1,397	226	-83.8		307	103	-66.4

Table 5: Percent change from 4th Q 2020 to 1st Q 2021:

Counties	2020 4th Q Filings	2021 1st Q Filings	Percent Change		2020 4th Q Sales	2021 1st Q Sales	Percent Change
Adams	17	16	-5.9		6	5	-16.7
Alamosa	2	2	0.0		0	1	n/a
Arapahoe	21	19	-9.5		0	10	n/a
Archuleta	1	1	0.0		1	0	-100.0
Baca	1	0	-100.0		0	0	n/a
Bent	1	1	0.0		1	1	0.0
Boulder	6	6	0.0		0	1	n/a
Broomfield	1	2	100.0		1	0	-100.0
Chaffee	1	0	-100.0		0	0	n/a
Cheyenne	0	0	n/a		1	0	-100.0
Clear Creek	0	3	n/a		0	0	n/a
Conejos	0	0	n/a		0	0	n/a
Costilla	0	0	n/a		0	0	n/a
Crowley	1	1	0.0		0	1	n/a
Custer	2	1	-50.0		2	1	-50.0
Delta	3	7	133.3		2	1	-50.0
Denver	24	17	-29.2		3	8	166.7
Dolores	0	0	n/a		0	0	n/a
Douglas	7	11	57.1		3	3	0.0
Eagle	0	1	n/a		1	1	0.0
Elbert	1	2	100.0		2	1	-50.0
El Paso	23	21	-8.7		11	5	-54.5
Fremont	8	1	-87.5		1	4	300.0
Garfield	4	3	-25.0		0	2	n/a
Gilpin	0	0	n/a		0	0	n/a
Grand	1	0	-100.0		1	0	-100.0
Gunnison	0	0	n/a		0	1	n/a
Hinsdale	0	1	n/a		0	0	n/a
Huerfano	2	0	-100.0		1	1	0.0
Jackson	0	1	n/a		0	1	n/a
Jefferson	26	8	-69.2		6	3	-50.0
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	0	1	n/a		0	0	n/a
La Plata	4	3	-25.0		3	1	-66.7
Lake	2	0	-100.0		0	0	n/a
Larimer	6	14	133.3		3	1	-66.7
Las Animas	1	6	500.0		4	2	-50.0
Lincoln	1	0	-100.0		1	0	-100.0
Logan	1	14	1300.0		3	1	-66.7
Mesa	15	2	-86.7		7	8	14.3
Mineral	0	0	n/a		0	0	n/a
Moffat	2	2	0.0		3	1	-66.7

Montezuma	2	6	200.0		2	5	150.0
Montrose	4	4	0.0		1	3	200.0
Morgan	2	5	150.0		1	0	-100.0
Otero	4	5	25.0		1	3	200.0
Ouray	0	0	n/a		0	0	n/a
Park	2	2	0.0		1	2	100.0
Philips	1	0	-100.0		0	0	n/a
Pitkin	1	1	0.0		1	1	0.0
Prowers	0	1	n/a		0	1	n/a
Pueblo	17	19	11.8		7	13	85.7
Rio Blanco	0	0	n/a		2	2	0.0
Rio Grande	2	5	150.0		0	1	n/a
Routt	0	0	n/a		1	1	0.0
Saguache	1	1	0.0		0	0	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	0	0	n/a		0	0	n/a
Sedgwick	0	0	n/a		0	1	n/a
Summit	15	0	-100.0		7	0	-100.0
Teller	1	2	100.0		2	2	0.0
Washington	0	1	n/a		0	0	n/a
Weld	11	7	-36.4		4	3	-25.0
Yuma	0	0	n/a		0	0	n/a
Totals	248	226	-8.9		97	103	6.2

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

Counties	2020 Q1 Filings	2020 Q2 Filings	2020 Q3 Filings	2020 Q4 Filings	2021 Q1 Filings		2020 Q1 Sales	2020 Q2 Sales	2020 Q3 Sales	2020 Q4 Sales	2021 Q1 Sales
Adams	146	22	18	17	16		25	4	8	6	5
Alamosa	5	0	1	2	2		0	2	3	0	1
Arapahoe	153	20	23	21	19		18	0	12	0	10
Archuleta	4	0	2	1	1		0	3	2	1	0
Baca	0	0	0	1	0		2	0	0	0	0
Bent	1	1	1	1	1		1	0	0	1	1
Boulder	33	5	4	6	6		9	2	2	0	1
Broomfield	11	0	1	1	2		1	0	1	1	0
Chaffee	0	0	0	1	0		3	0	0	0	0
Cheyenne	0	1	2	0	0		0	0	0	1	0
Clear Creek	4	0	1	0	3		0	0	0	0	0
Conejos	3	0	1	0	0		1	1	1	0	0
Costilla	1	0	0	0	0		1	0	0	0	0
Crowley	1	0	1	1	1		0	0	0	0	1
Custer	0	2	2	2	1		2	1	0	2	1
Delta	9	9	3	3	7		2	2	2	2	1
Denver	147	32	20	24	17		25	7	5	3	8
Dolores	1	0	0	0	0		0	0	0	0	0
Douglas	73	12	6	7	11		11	4	4	3	3
Eagle	13	8	5	0	1		2	2	2	1	1
Elbert	11	0	1	1	2		2	0	0	2	1
El Paso	201	44	13	23	21		41	4	13	11	5
Fremont	16	3	3	8	1		7	1	2	1	4
Garfield	25	1	4	4	3		3	0	0	0	2
Gilpin	1	1	1	0	0		0	0	0	0	0
Grand	9	2	0	1	0		0	1	4	1	0
Gunnison	2	1	1	0	0		0	2	1	0	1
Hinsdale	0	0	0	0	1		0	0	0	0	0
Huerfano	3	1	1	2	0		0	0	0	1	1
Jackson	1	0	1	0	1		1	0	0	0	1
Jefferson	117	25	10	26	8		20	4	6	6	3
Kiowa	0	0	0	0	0		0	0	0	0	0
Kit Carson	1	2	3	0	1		0	2	3	0	0

La Plata	10	2	6	4	3		4	0	0	3	1
Lake	1	1	1	2	0		1	0	0	0	0
Larimer	57	11	8	6	14		4	0	5	3	1
Las Animas	10	3	1	1	6		3	0	3	4	2
Lincoln	1	0	1	1	0		1	1	1	1	0
Logan	4	0	3	1	14		3	0	0	3	1
Mesa	59	9	10	15	2		16	3	9	7	8
Mineral	0	0	1	0	0		0	0	0	0	0
Moffat	13	1	2	2	2		6	3	5	3	1
Montezuma	4	4	2	2	6		3	3	2	2	5
Montrose	11	5	1	4	4		2	0	1	1	3
Morgan	7	2	1	2	5		3	1	2	1	0
Otero	6	2	1	4	5		7	0	0	1	3
Ouray	0	1	0	0	0		1	0	0	0	0
Park	12	2	1	2	2		4	1	1	1	2
Philips	1	0	0	1	0		0	2	2	0	0
Pitkin	5	1	2	1	1		5	0	0	1	1
Prowers	8	2	0	0	1		3	2	1	0	1
Pueblo	66	19	14	17	19		35	3	38	7	13
Rio Blanco	5	0	0	0	0		5	0	1	2	2
Rio Grande	8	0	1	2	5		2	0	3	0	1
Routt	9	0	2	0	0		0	0	0	1	1
Saguache	2	0	1	1	1		0	0	0	0	0
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	4	0	1	0	0		1	0	0	0	0
Sedgwick	0	2	1	0	0		0	0	1	0	1
Summit	3	1	11	15	0		0	0	2	7	0
Teller	8	3	2	1	2		7	0	1	2	2
Washington	3	0	0	0	1		1	0	0	0	0
Weld	85	11	9	11	7		13	0	13	4	3
Yuma	3	0	0	0	0		0	0	1	0	0
Totals	1,397	274	212	248	226		307	61	163	97	103