



Monthly Metropolitan Foreclosure Report, January 2010

Colorado Department of Local Affairs – Division of Housing

Introduction

The Division of Housing now releases monthly data on foreclosure filings and foreclosure sales in metropolitan counties in Colorado. These reports are a supplement to the Division's quarterly statewide foreclosure reports available at the Division's web site: <http://dola.colorado.gov/cdh/>

Foreclosure filings represent the point at which the legal foreclosure process begins. The foreclosure sale represents the point at which the foreclosure process is completed. Since not all filed foreclosures proceed all the way through the foreclosure process, the total number of completed foreclosures in each time period is usually smaller than the total number.

These numbers represent estimates since each filing does not necessarily represent a unique property, and foreclosure totals also include a small number (less than 3% of total) of foreclosed commercial property and vacant land.

The foreclosure sales number approximates the number of unique properties that have been foreclosed with ownership reverting to the lender or passing to a third party.

Foreclosure filings are a useful indicator of future foreclosure sales activity and of recent mortgage delinquency activity.

Findings

Comparing year-over-year from 2009 to 2010, foreclosure filings in January decreased 3.2 percent overall with totals falling from 2,819 to 2,729. Foreclosure sales increased 60.7 percent from 1,193 to 1,917.

However, when compared to January 2008, both foreclosure filings and foreclosure sales were down. January filings decreased 17.4 percent from January 2008 to January 2010, and foreclosure sales fell 29.2 percent during the same period.

The increase in foreclosure sales rates between January 2009 and January 2010 can in part be attributed to an exceptionally low number of foreclosures proceeding to sale during the early months of 2009. This resulted from a series of moratoria on foreclosures imposed by Fannie Mae, Freddie Mac and other large owners of mortgage loans. The moratoria prevented foreclosures from proceeding to the end of the process, but did not

reflect overall improvement in the real estate markets. As the moratoria were phased out in the Spring of 2009, foreclosure sales totals began to increase.

Recent movements in foreclosure sales and filings reflect recent overall trends, as monthly sales totals have moved upward and monthly filings totals have moved downward. See graphs 3 and 4 below.

New increases in foreclosure sales reflect elevated activity in new foreclosure filings that occurred during the second and third quarters of 2009. Movements in foreclosure sales reflect movement in foreclosure filings, but lag by six to eight months.

For example, using a three-month moving average to remove monthly volatility, foreclosure filings activity increased significantly between October 2008 and August 2009. Foreclosure filings totals have fallen slowly since August of 2009 and will likely continue to fall in at least the short term.

Foreclosure sales show general growth beginning in April 2009, a lag of eight months behind foreclosure filings activity. If the current relationship between filings and sales continues, foreclosure sales will begin to fall again during Spring 2010.

These are only short-term forecasts, and long-term activity in foreclosure filings and sales will depend on the overall strength of the economy.

County Comparisons

The counties with the largest decreases from January 2009 to January 2010 in filings activity were Douglas County and Denver County, where filings decreased by 25.8 percent and 16.8 percent, respectively. The largest increase was in Mesa County where filings increased 158.9 percent year-over-year.

Foreclosure sales activity increased in all metropolitan counties during January compared to January of 2009. The smallest increase was in Denver County where sales increased 19 percent. The largest increase was found in Mesa County where foreclosure filings increased 337 percent from January 2009 to January 2010.

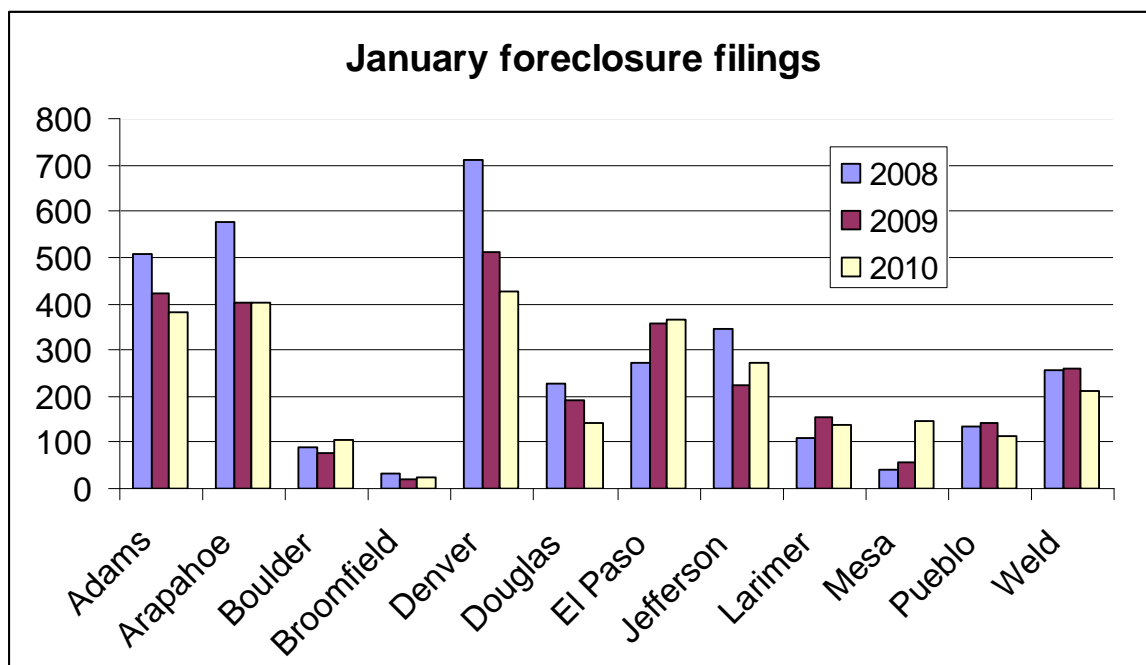
Measuring changes since 2008, all counties reported falling foreclosure sales except Boulder and Mesa Counties.

The county with the highest rate of foreclosure sales was Weld County with a rate of 532 households per foreclosure sale. Adams County was a close second with 535 households per foreclosure sale. The lowest rate was found in Boulder County where there were 1,779 households per foreclosure sale. The largest increase in foreclosure rates since 2009 was found in Mesa County where the foreclosure rate more than tripled year-over-year. See Table 3 for comparisons.

Year-over-year comparison of January foreclosure filings totals:

Table 1

County	Jan-08	Jan-09	Jan-10	Percent change over Jan. 2008	Percent change over Jan. 2009
Adams	509	424	382	-25.0	-9.9
Arapahoe	576	403	402	-30.2	-0.2
Boulder	91	77	107	17.6	39.0
Broomfield	34	22	23	-32.4	4.5
Denver	710	512	426	-40.0	-16.8
Douglas	229	190	141	-38.4	-25.8
El Paso	271	356	365	34.7	2.5
Jefferson	344	225	273	-20.6	21.3
Larimer	108	153	137	26.9	-10.5
Mesa	41	56	145	253.7	158.9
Pueblo	136	142	115	-15.4	-19.0
Weld	254	259	213	-16.1	-17.8
	3303	2819	2729	-17.4	-3.2

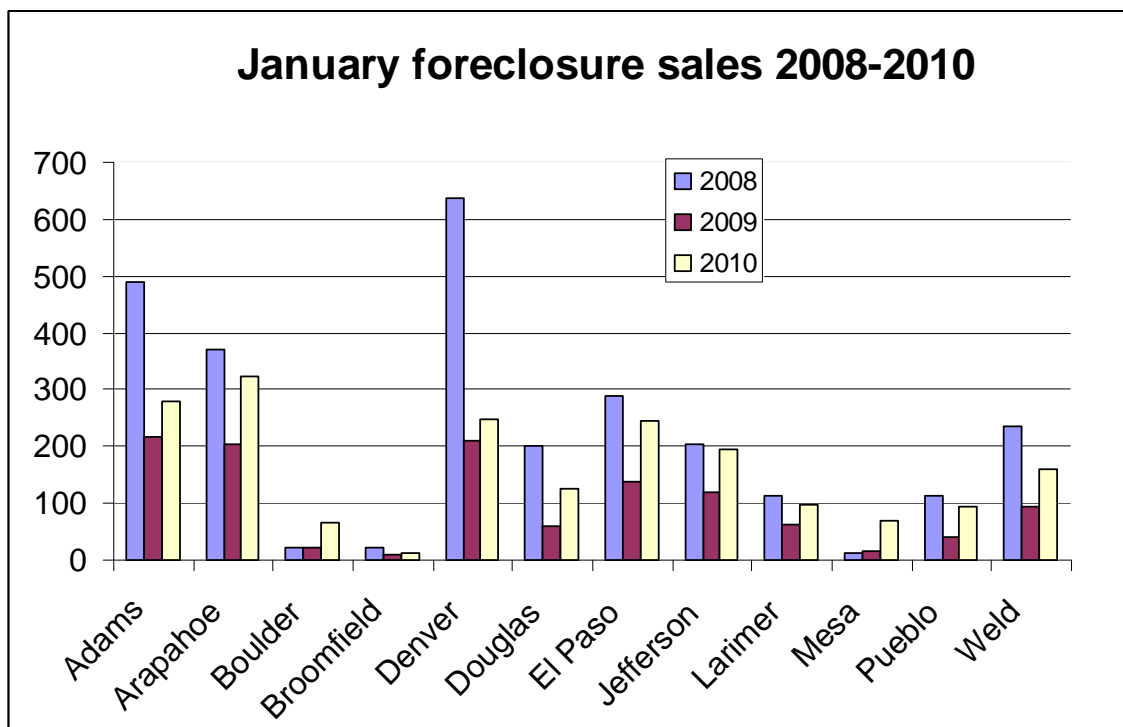


Graph 1

Year-over-year comparison of January foreclosure sales totals:

Table 2

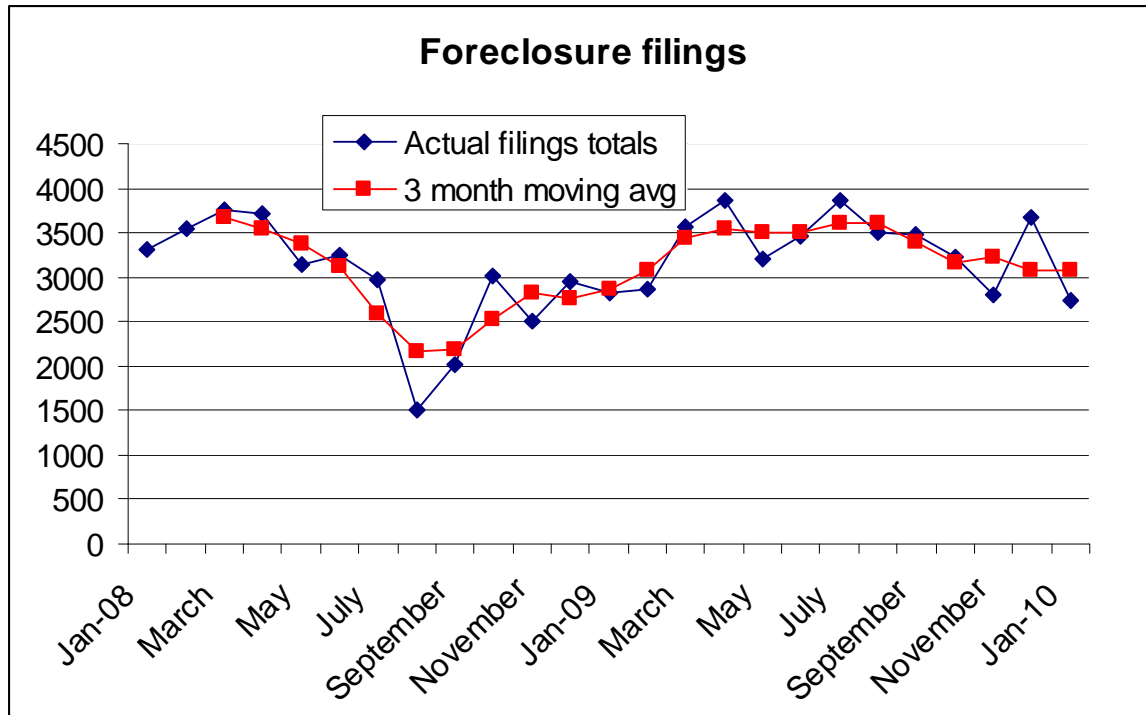
County	Jan-08	Jan-09	Jan-10	Jan 2010 percent change over Jan. 2008	Jan 2010 percent change over Jan. 2009
Adams	491	218	279	-43.2	28.0
Arapahoe	371	205	324	-12.7	58.0
Boulder	21	21	65	209.5	209.5
Broomfield	21	8	12	-42.9	50.0
Denver	636	209	249	-60.8	19.1
Douglas	202	59	124	-38.6	110.2
El Paso	288	138	245	-14.9	77.5
Jefferson	205	120	195	-4.9	62.5
Larimer	112	64	98	-12.5	53.1
Mesa	12	16	70	483.3	337.5
Pueblo	113	41	95	-15.9	131.7
Weld	234	94	161	-31.2	71.3
	2706	1193	1917	-29.2	60.7



Graph 2

Monthly foreclosure filings totals for metropolitan counties, January 2008- January 2010.

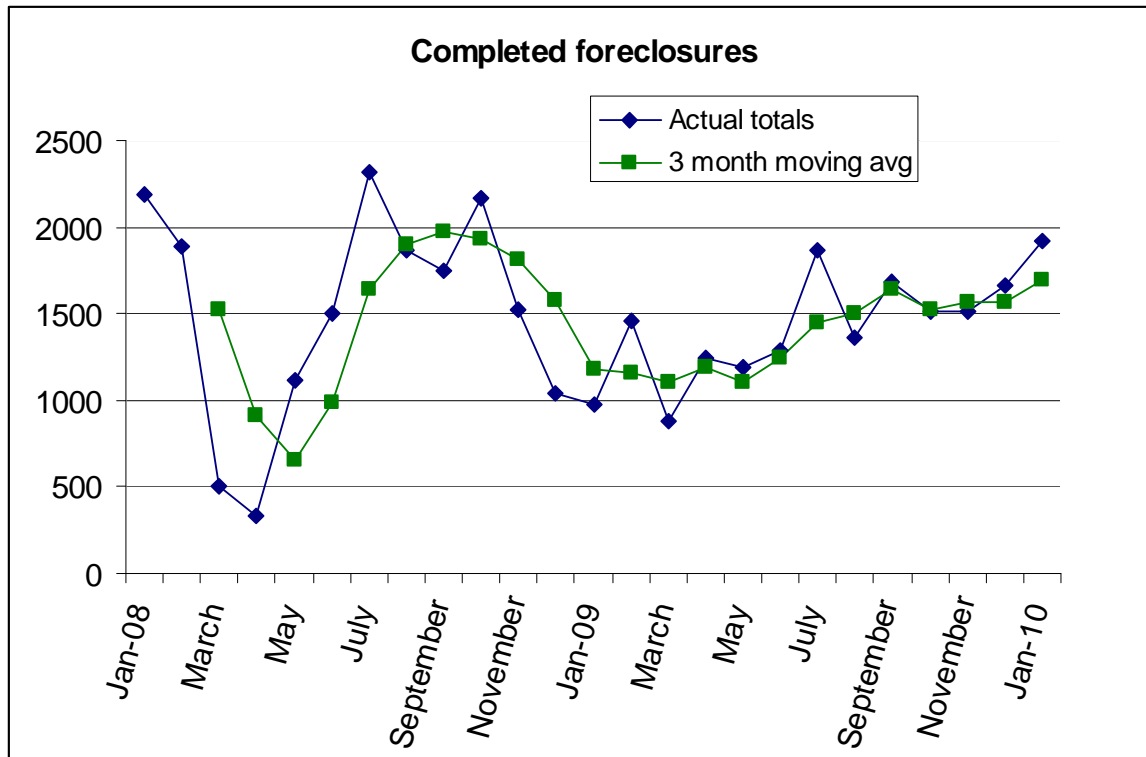
Note that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1. House Bill 1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties. Although filings increased following the HB 1402 change, new filings generally flattened during the Spring and Summer 2009, and have decreased in recent months.



Graph 3

Monthly foreclosure sales totals for metropolitan counties, January 2008- January 2010.

Note that March and April 2008 totals for foreclosure sales were extremely low. This was due to a new foreclosure process time line taking effect on January 1 of 2008. The new time line was structured in such a way that few foreclosures could proceed to sale during March and April 2008. During the early part of 2009, Fannie Mae and Freddie Mac instituted moratoria on finishing pending foreclosures. This temporarily pushed down totals in completed foreclosures during that period. The moving average shows that foreclosure activity has generally increased since Spring 2009.



Graph 4

Foreclosure sales (completed foreclosure) rates in each county:

For each county, the number in the right-hand column indicates the number of households per foreclosure completed during the month of January 2010. 2010 rates, on the left, are compared with 2009 rates on the right.

Table 3

County	Jan-10	No. of households per completed foreclosure, 2010	Jan-09	No. of households per completed foreclosure, 2009
Adams	279	535	218	684
Arapahoe	324	665	205	1,051
Boulder	65	1,779	21	5,508
Broomfield	12	1,613	8	2,419
Denver	249	1,034	209	1,232
Douglas	124	771	59	1,621
El Paso	245	891	138	1,582
Jefferson	195	1,076	120	1,749
Larimer	98	1,139	64	1,744
Mesa	70	792	16	3,465
Pueblo	95	630	41	1,460
Weld	161	532	94	910
Metro total	1917	831	1193	1,336