



## **Monthly Metropolitan Foreclosure Report, February 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 February increased 6.5 percent overall with totals rising from 2,856 to 3,042. Foreclosure sales increased 14 percent from 1,450 to 1,664.

However, when compared to February 2008, both foreclosure filings and foreclosure sales were down. February filings decreased 14 percent from February 2008 to February 2010, and foreclosure sales fell 14 percent during the same period.

The increase in foreclosure sales rates between February 2009 and February 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 5 and 6 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 February 2009 to February 2010 in filings activity were in El Paso County and Larimer County where filings fell 16 percent and 24 percent, respectively. The largest increase was in Mesa County where filings increased 223 percent year-over-year.

Measuring changes since 2008, Only Boulder County, Jefferson County, and Mesa County reported increases. Adams County, Denver County and Larimer County all reported decreases in filings of more than 30 percent during the two-year period.

From February 2009 to February 2010, foreclosure sales activity fell most in Adams County, Denver County and Weld County where sales fell 17 percent, 18 percent, and 20 percent, respectively. The largest increase in foreclosure sales was found in Mesa County where sales increased 362 percent.

Measuring changes since 2008, foreclosure sales activity has fallen significantly in Adams, Arapahoe and Denver Counties where foreclosure sales fell 40 percent, 45 percent, and 58 percent, respectively.

The county with the highest rate of foreclosure sales was Weld County with a rate of 639 households per foreclosure sale. Adams County was second with 714 households per

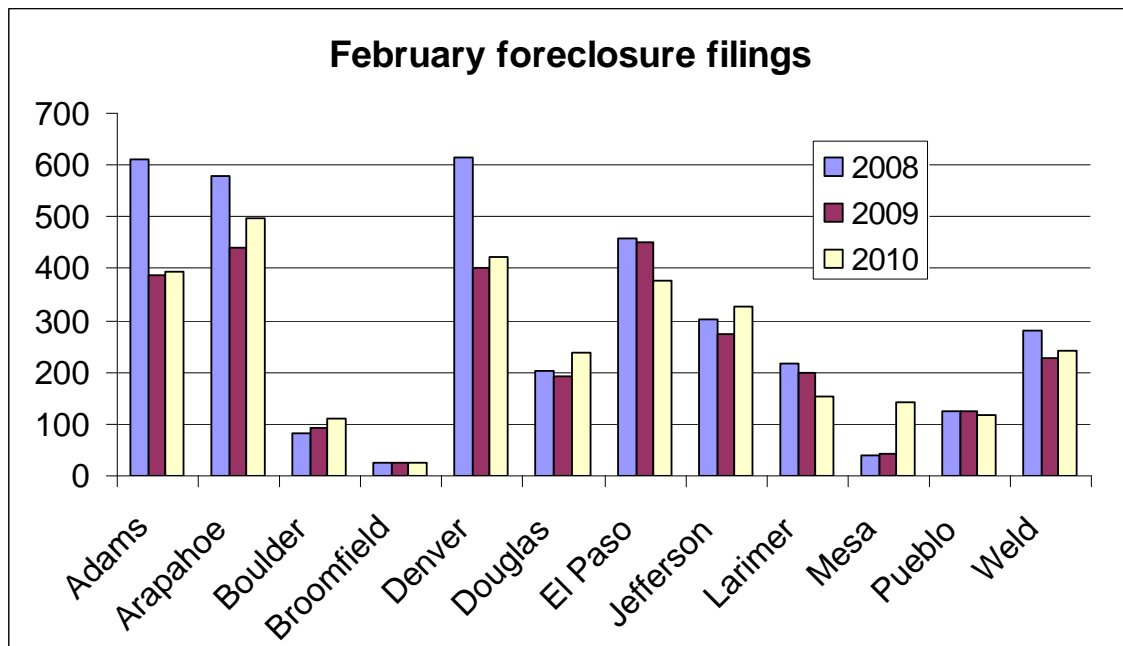
foreclosure sale. The lowest rate was found in Boulder County where there were 1,896 households per foreclosure sale. The largest increase in foreclosure rates since 2009 was found in Mesa County where the foreclosure rate more than quadrupled year-over-year. See Table 5 for comparisons.

### Year-over-year comparison of February foreclosure filings totals:

**Table 3**

County	Feb-08	Feb-09	Feb-10	Percent change over Feb. 2008	Percent change over Feb. 2009
Adams	612	388	395	-35.5	1.8
Arapahoe	580	439	498	-14.1	13.4
Boulder	80	93	110	37.5	18.3
Broomfield	25	26	24	-4.0	-7.7
Denver	615	400	424	-31.1	6.0
Douglas	202	191	237	17.3	24.1
El Paso	457	450	376	-17.7	-16.4
Jefferson	301	273	327	8.6	19.8
Larimer	218	200	152	-30.3	-24.0
Mesa	39	44	142	264.1	222.7
Pueblo	124	124	117	-5.6	-5.6
Weld	282	228	240	-14.9	5.3
Total	<b>3535</b>	<b>2856</b>	<b>3042</b>	<b>-13.9</b>	<b>6.5</b>

**Graph 3**

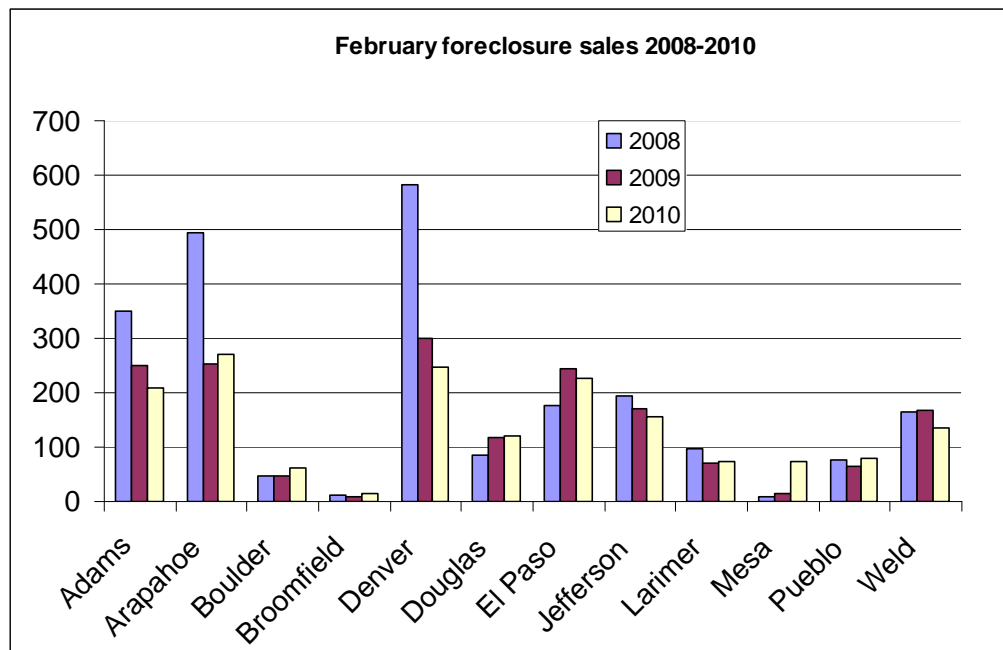


## Year-over-year comparison of February foreclosure sales totals:

**Table 4**

County	Feb-08	Feb-09	Feb-10	Percent change over Feb. 2008	Percent change over Feb. 2009
Adams	351	251	209	-40.5	-16.7
Arapahoe	493	253	271	-45.0	7.1
Boulder	48	48	61	27.1	27.1
Broomfield	12	8	14	16.7	75.0
Denver	583	301	247	-57.6	-17.9
Douglas	84	117	121	44.0	3.4
El Paso	176	244	227	29.0	-7.0
Jefferson	194	170	155	-20.1	-8.8
Larimer	98	71	73	-25.5	2.8
Mesa	9	16	74	722.2	362.5
Pueblo	76	65	78	2.6	20.0
Weld	165	167	134	-18.8	-19.8
	<b>1938</b>	<b>1460</b>	<b>1664</b>	<b>-14.1</b>	<b>14.0</b>

**Graph 4**

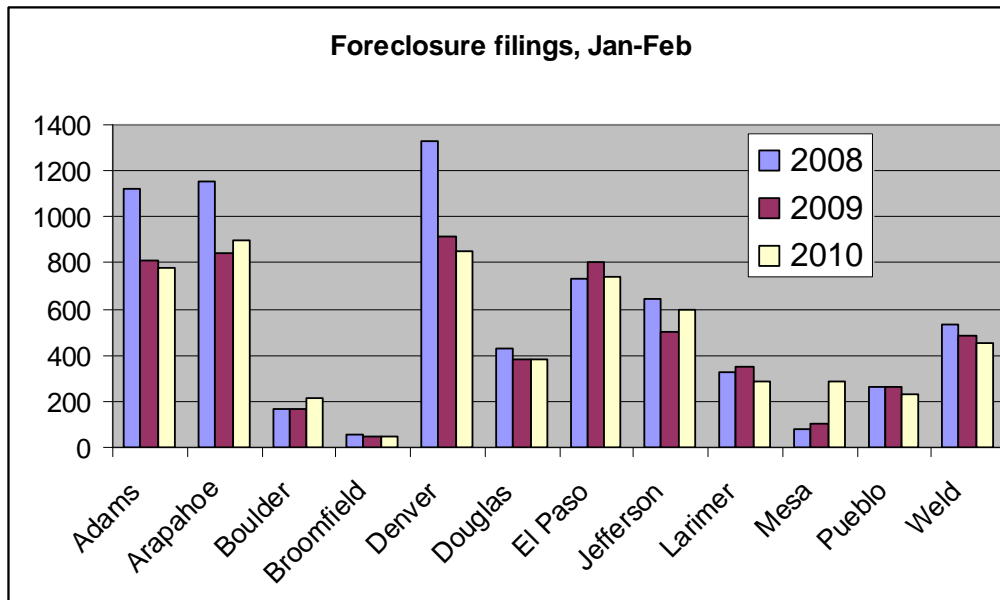


**Year-to-date (January-February) comparisons since 2008 and 2009 in foreclosure filings:**

**Table 1**

County	2008 YTD	2009 YTD	2010 YTD	YTD filings, pct change since 2008	YTD filings, pct change since 2009
Adams	1121	812	777	-30.7	-4.3
Arapahoe	1156	842	900	-22.1	6.9
Boulder	171	170	217	26.9	27.6
Broomfield	59	48	47	-20.3	-2.1
Denver	1325	912	850	-35.8	-6.8
Douglas	431	381	378	-12.3	-0.8
El Paso	728	806	741	1.8	-8.1
Jefferson	645	498	600	-7.0	20.5
Larimer	326	353	289	-11.3	-18.1
Mesa	80	100	287	258.8	187.0
Pueblo	260	266	232	-10.8	-12.8
Weld	536	487	453	-15.5	-7.0
<b>Total</b>	<b>6838</b>	<b>5675</b>	<b>5771</b>	<b>-15.6</b>	<b>1.7</b>

**Graph 1**

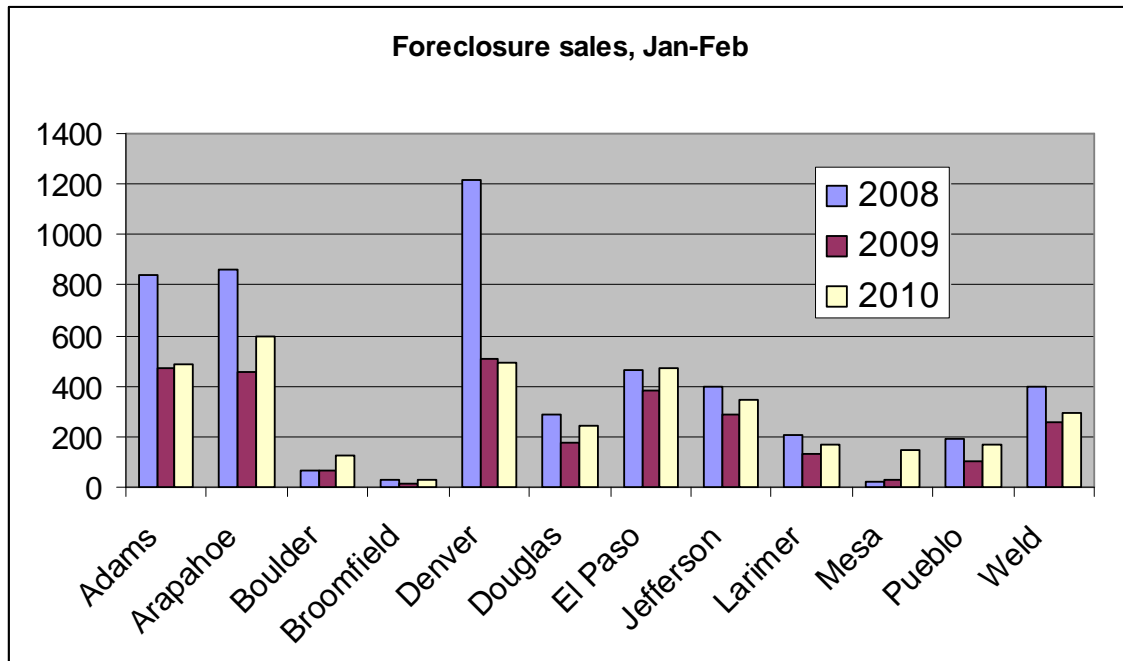


**Year-to-date (January-February) comparisons since 2008 and 2009 in foreclosure sales:**

**Table 2**

County	YTD 2008	YTD 2009	YTD 2010	YTD sales, pct change since 2008	YTD sales, pct change since 2009
Adams	842	469	488	-42.0	4.1
Arapahoe	864	458	595	-31.1	29.9
Boulder	69	69	126	82.6	82.6
Broomfield	33	16	26	-21.2	62.5
Denver	1219	510	496	-59.3	-2.7
Douglas	286	176	245	-14.3	39.2
El Paso	464	382	472	1.7	23.6
Jefferson	399	290	350	-12.3	20.7
Larimer	210	135	171	-18.6	26.7
Mesa	21	32	144	585.7	350.0
Pueblo	189	106	173	-8.5	63.2
Weld	399	261	295	-26.1	13.0
<b>Total</b>	<b>4995</b>	<b>2653</b>	<b>3581</b>	<b>-28.3</b>	<b>35.0</b>

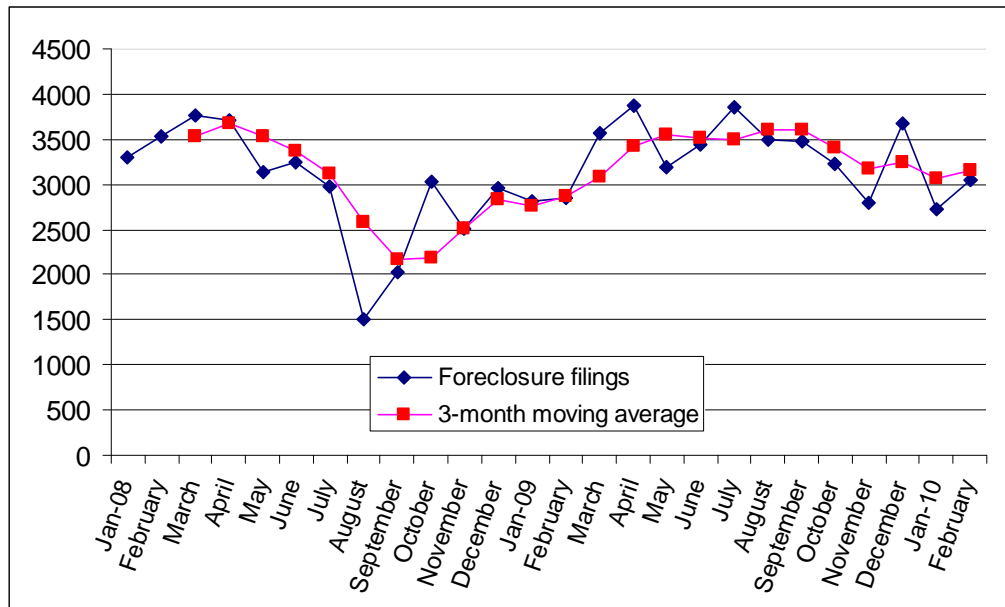
**Graph 2**



### 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.

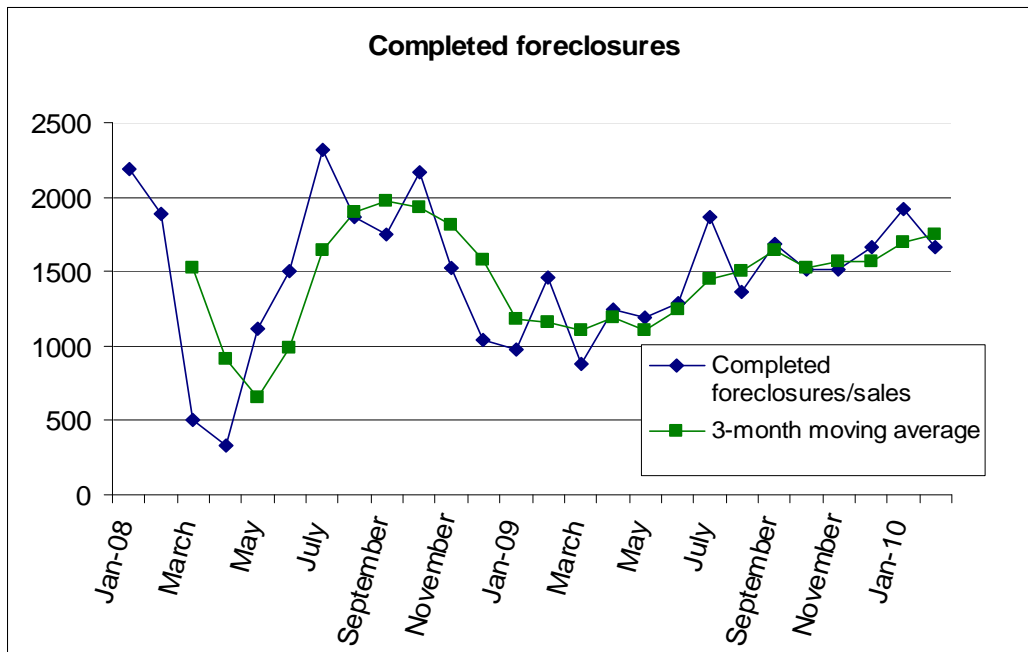
**Graph 5**



### 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 6**



**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 5**

County	Feb-10	No. of households per completed foreclosure, 2010	Feb-09	No. of households per completed foreclosure, 2009
Adams	209	714	251	594
Arapahoe	271	795	253	851
Boulder	61	1,896	48	2,410
Broomfield	14	1,382	8	2,419
Denver	247	1,043	301	856
Douglas	121	791	117	818
El Paso	227	962	244	895
Jefferson	155	1,354	170	1,234
Larimer	73	1,529	71	1,572
Mesa	74	749	16	3,465
Pueblo	78	767	65	921
Weld	134	639	167	512
Metro total	<b>1664</b>	<b>958</b>	<b>1460</b>	<b>1,091</b>