



## **Monthly Metropolitan Foreclosure Report, March 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 March increased 4 percent overall with totals rising from 3,566 to 3,698. Compared to March 2008, March 2010 filings were down 1.8 percent falling from 3,765 to 3,698.

March foreclosure sales (completed foreclosures) were up substantially compared to March 2008 and March 2009. Compared to March 2008, foreclosure sales were up 304 percent, and were up 107 percent compared to March 2009. These very large year-over-year increases are due to the fact that foreclosure sales totals were artificially low during March of 2008 and 2009. This was the result of public and industry policy decisions that led to a very small number of foreclosure sales during the time periods in question (see Graph 6).

During March of 2008, recent changes to the foreclosure processing time line were taking effect and, by law, few foreclosure sales could occur during the month. During March 2009, private voluntary moratoria put on foreclosure processing also significantly depressed the number of foreclosure sales.

Consequently, by contrast, foreclosure sales totals for March 2010 looks exceedingly high.

Recent movements in foreclosure sales and filings reflect recent overall trends, as monthly sales totals have moved upward and monthly filings totals have remained flat in recent months. 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 or remained flat since August of 2009.

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 moderate by Summer 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 March 2009 to March 2010 in filings activity were in Jefferson County and Larimer County where filings fell 14 percent and 9 percent, respectively. The largest increase was in Mesa County where filings increased 47 percent year-over-year.

Measuring changes since 2008, most counties reported increases. Boulder, Broomfield, Douglas, Mesa and Pueblo Counties all reported increases of more than 10 percent. Mesa County filings increased 182 percent from March 2008 to March 2010. Adams, Arapahoe and Denver Counties all reported decreases of more than 10 percent.

From March 2009 to March 2010, foreclosure sales activity rose in all counties, with foreclosure sales totals more than doubling in many counties. See Table 4 for complete information.

The county with the highest rate of foreclosure sales was Weld County with a rate of 432 households per foreclosure sale. Adams County was second with 483 households per foreclosure sale. The lowest rate was found in Boulder County where there were 1,145

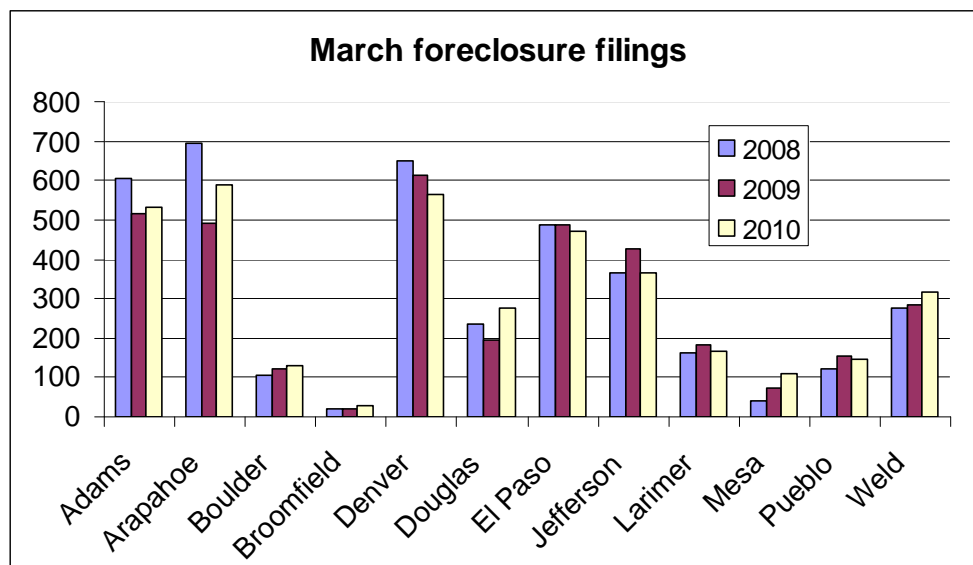
households per foreclosure sale. The largest increase in foreclosure rates since 2009 was found in Mesa County where the foreclosure rate increased from 4,621 households per foreclosure in March 2009 to only 486 households per foreclosure in March 2010. See Table 5 for comparisons.

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

**Table 3**

County	Mar-08	Mar-09	Mar-10	Percent change over March 2008	Percent change over March 2009
Adams	606	515	531	-12.4	3
Arapahoe	695	492	590	-15.1	20
Boulder	107	121	128	19.6	6
Broomfield	20	22	28	40.0	27
Denver	650	612	566	-12.9	-8
Douglas	234	194	277	18.4	43
El Paso	488	486	470	-3.7	-3
Jefferson	365	428	366	0.3	-14
Larimer	161	183	166	3.1	-9
Mesa	39	75	110	182.1	47
Pueblo	123	155	148	20.3	-5
Weld	277	283	318	14.8	12
<b>Total</b>	<b>3765</b>	<b>3566</b>	<b>3698</b>	<b>-1.8</b>	<b>4</b>

**Graph 3**

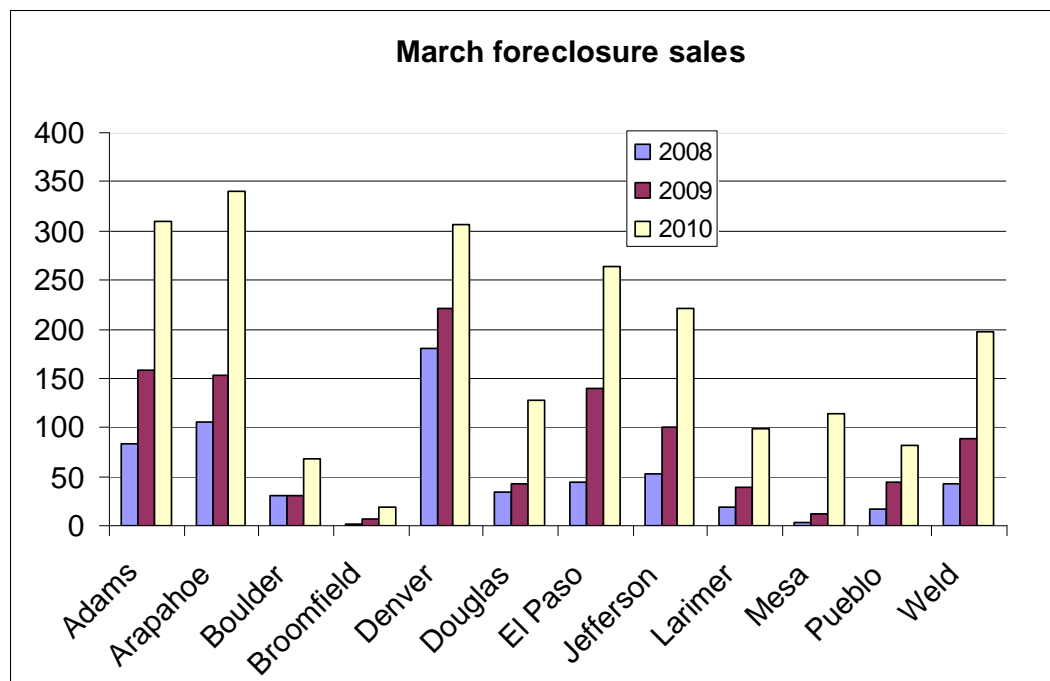


## Year-over-year comparison of February foreclosure sales totals:

**Table 4**

County	Mar-08	Mar-09	Mar-10	Percent change over March 2008	Percent change over March 2009
Adams	83	159	309	272.3	94.3
Arapahoe	106	153	341	221.7	122.9
Boulder	31	31	68	119.4	119.4
Broomfield	2	6	19	850.0	216.7
Denver	180	221	306	70.0	38.5
Douglas	34	43	127	273.5	195.3
El Paso	45	140	264	486.7	88.6
Jefferson	53	101	222	318.9	119.8
Larimer	18	39	99	450.0	153.8
Mesa	3	12	114	3700.0	850.0
Pueblo	17	45	82	382.4	82.2
Weld	43	88	198	360.5	125.0
	<b>532</b>	<b>1038</b>	<b>2149</b>	<b>303.9</b>	<b>107.0</b>

**Graph 4**

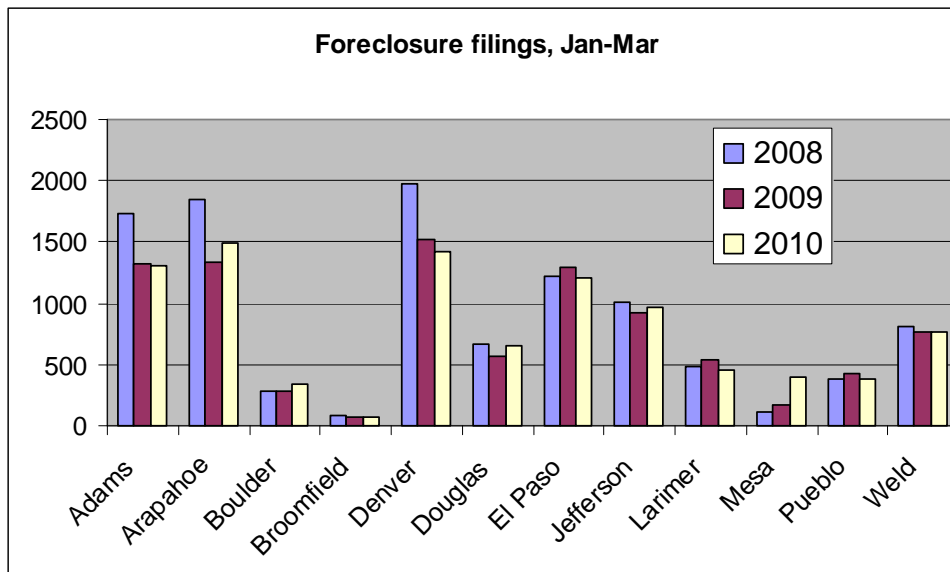


**Year-to-date (January-March) comparisons since 2008 and 2009 in foreclosure filings:**

**Table 1**

County	2008 YTD	2009 YTD	2010 YTD	YTD filings, pct change since 2008	YTD filings, pct change since 2009
Adams	1727	1327	1308	-24.3	-1.4
Arapahoe	1851	1334	1490	-19.5	11.7
Boulder	278	291	345	24.1	18.6
Broomfield	79	70	75	-5.1	7.1
Denver	1975	1524	1416	-28.3	-7.1
Douglas	665	575	655	-1.5	13.9
El Paso	1216	1292	1211	-0.4	-6.3
Jefferson	1010	926	966	-4.4	4.3
Larimer	487	536	455	-6.6	-15.1
Mesa	119	175	397	233.6	126.9
Pueblo	383	421	380	-0.8	-9.7
Weld	813	770	771	-5.2	0.1
<b>Total</b>	<b>10603</b>	<b>9241</b>	<b>9469</b>	<b>-10.7</b>	<b>2.5</b>

**Graph 1**

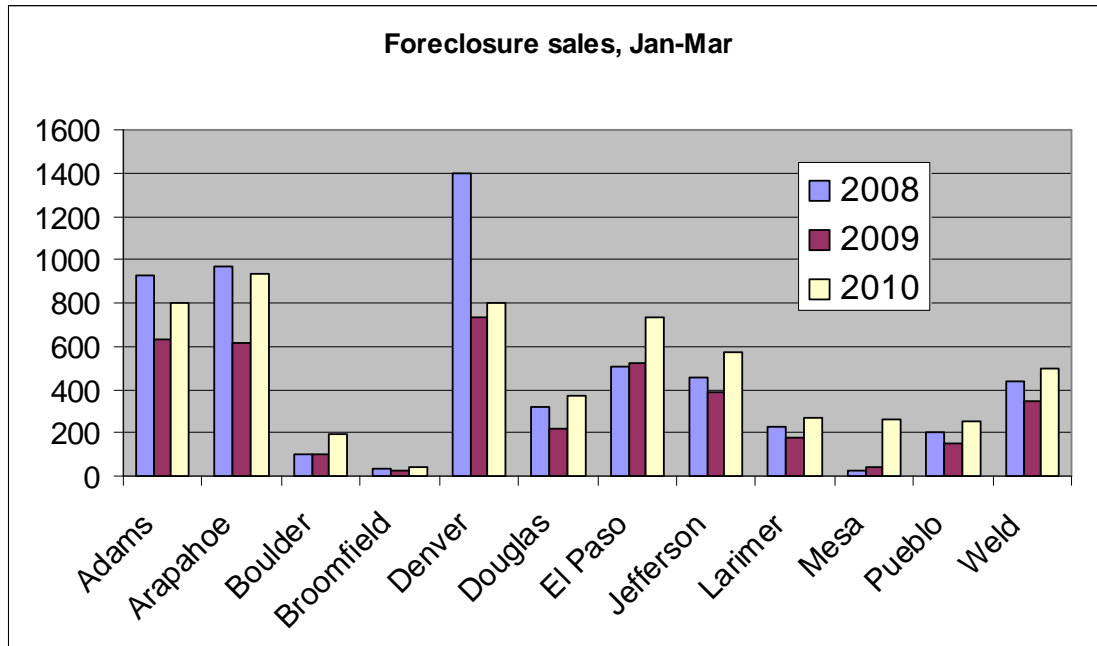


**Year-to-date (January-March) comparisons since 2008 and 2009 in foreclosure sales:**

**Table 2**

County	YTD 2008	YTD 2009	YTD 2010	YTD sales, pct change since 2008	YTD sales, pct change since 2009
Adams	925	628	797	-13.8	26.9
Arapahoe	970	611	936	-3.5	53.2
Boulder	100	100	194	94.0	94.0
Broomfield	35	22	45	28.6	104.5
Denver	1399	731	802	-42.7	9.7
Douglas	320	219	372	16.3	69.9
El Paso	509	522	736	44.6	41.0
Jefferson	452	391	572	26.5	46.3
Larimer	228	174	270	18.4	55.2
Mesa	24	44	258	975.0	486.4
Pueblo	206	151	255	23.8	68.9
Weld	442	349	493	11.5	41.3
<b>Total</b>	<b>5610</b>	<b>3942</b>	<b>5730</b>	<b>2.1</b>	<b>45.4</b>

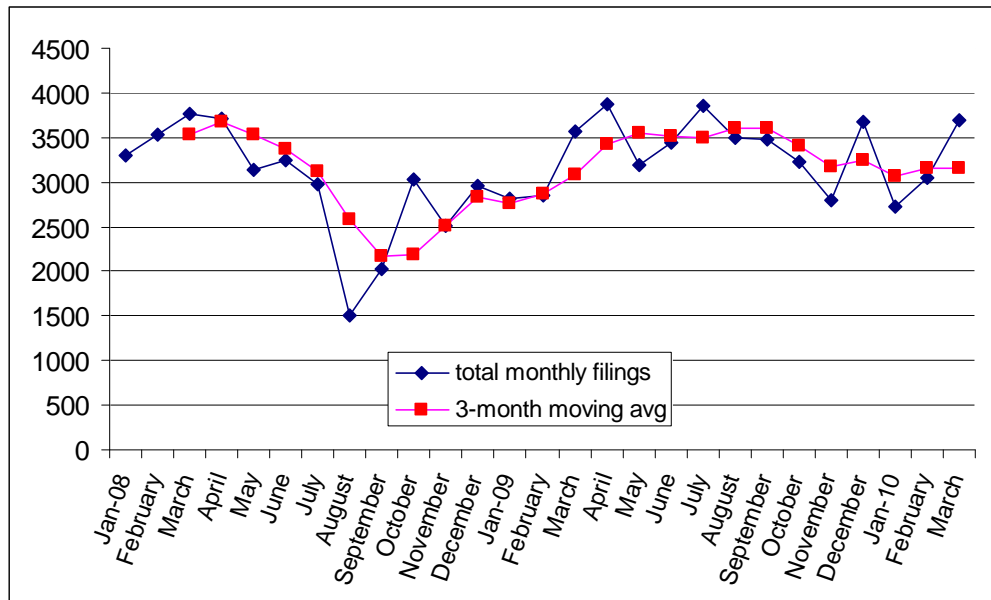
**Graph 2**



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

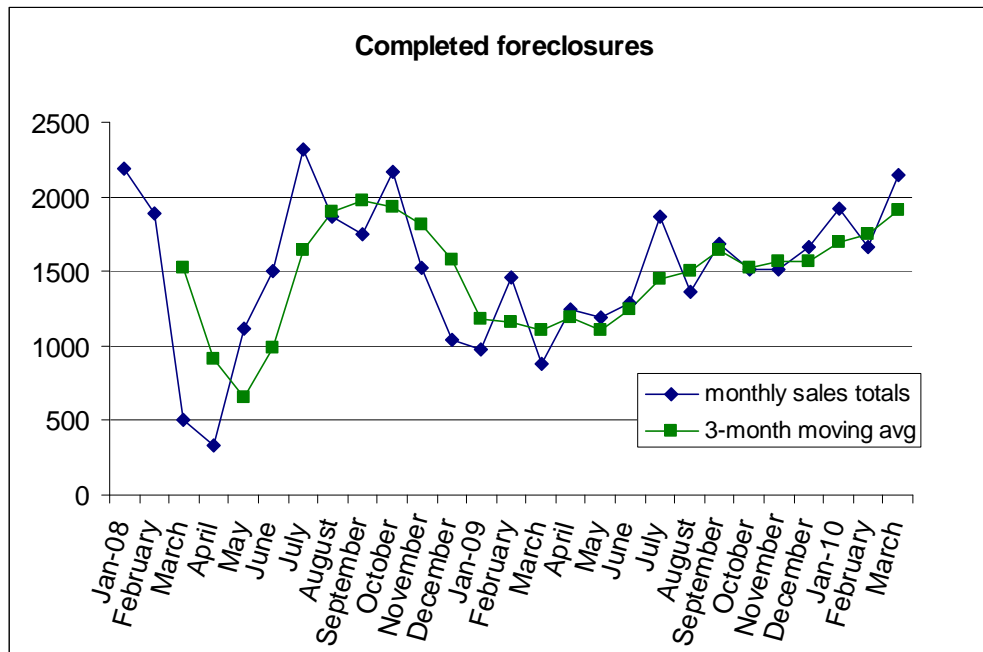
**Graph 5**



### Monthly foreclosure sales totals for metropolitan counties, January 2008- March 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**



**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	Mar-10	No. of households per completed foreclosure, 2010	Mar-09	No. of households per completed foreclosure, 2009
Adams	309	483	159	938
Arapahoe	341	632	153	1,408
Boulder	68	1,701	31	3,731
Broomfield	19	1,018	6	3,225
Denver	306	842	221	1,165
Douglas	127	753	43	2,224
El Paso	264	827	140	1,559
Jefferson	222	945	101	2,078
Larimer	99	1,127	39	2,862
Mesa	114	486	12	4,621
Pueblo	82	730	45	1,330
Weld	198	432	88	972
<b>Metro total</b>	<b>2,149</b>	<b>741</b>	<b>1,038</b>	<b>1,535</b>