



Monthly Metropolitan Foreclosure Report, May 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 May decreased 17.7 percent with totals falling from 3,198 to 2,633. Compared to May 2008, May 2010 filings were down 16.2 percent falling from 3,143 to 2,633.

May foreclosure sales (completed foreclosures) were up compared to May 2008 and May 2009. Compared to May 2008, foreclosure sales were up 26.8 percent, and were up 18.3 percent compared to May 2009. These year-over-year increases are due partially to the fact that foreclosure sales totals were artificially low during May 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 2).

During May 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 May 2009, private voluntary moratoria put on foreclosure processing also depressed the number of foreclosure sales.

Consequently, by contrast, the foreclosure sales total for May 2010 looks exceedingly high, although this contrast is not necessarily due only to issues related to the moratoria.

For the five-month period including January to May, foreclosure filings decreased 6.0 percent year over year from 2009 to 2010, and fell 12.2 percent from 2008 to 2010. For the same five-month period, foreclosure sales increased 40.1 percent year over year from 2009 to 2010 and increased 20.8 percent from 2008 to 2010. See tables 5 and 6.

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 1 and 2 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 generally 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. This eight-month lag has appeared to hold in recent months as foreclosure sales moderated in April and May following a decline in foreclosure sales that began during September 2009.

County Comparisons

Comparing the five-month period of January to May from 2009 to 2010, Larimer, Denver and Pueblo Counties experienced the largest drops in foreclosure filings with decreases of 16.6 percent, 15.6 percent, 13.2 percent, respectively. The largest increases were in Boulder and Mesa counties where filings increased 6.4 percent and 86.4 percent, respectively.

Measuring changes since 2008, only Mesa, Boulder and El Paso counties reported filings increases during the period of January-May, compared year over year. Mesa County filings increased 241.3 percent from Jan-May 2008 to Jan-May 2010. Adams, Arapahoe and Denver counties all reported decreases of 20 percent or more.

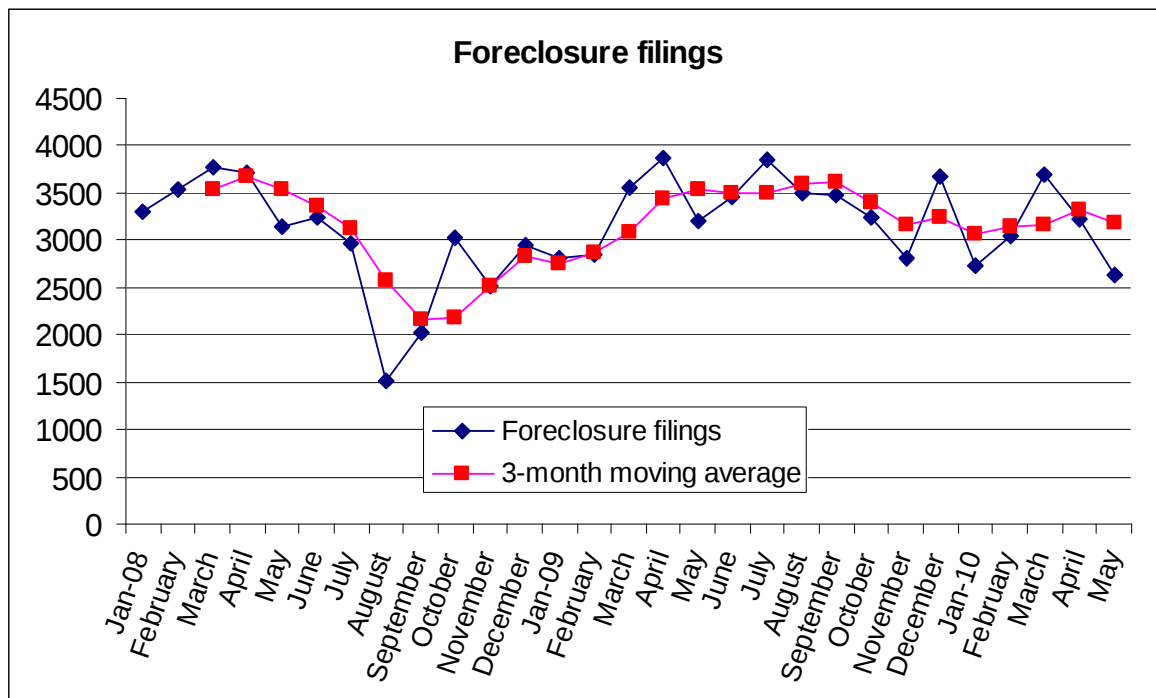
From Jan-May 2009 to Jan-May 2010, foreclosure sales activity rose in all counties surveyed. From 2008 to 2010, foreclosure sales increased in all counties except Denver County. See Table 6 for complete information.

The county with the highest rate of foreclosure sales was Weld County with a rate of 634 households per foreclosure sale. Mesa County was second with 616 households per foreclosure sale. The lowest rate was found in Boulder County where there were 2,821 households per foreclosure sale. The largest increase in foreclosure rates since 2009 was found in Mesa County where the foreclosure rate increased from 2,218 households per foreclosure in May 2009 to only 616 households per foreclosure in May 2010. See Table 7 for comparisons.

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.

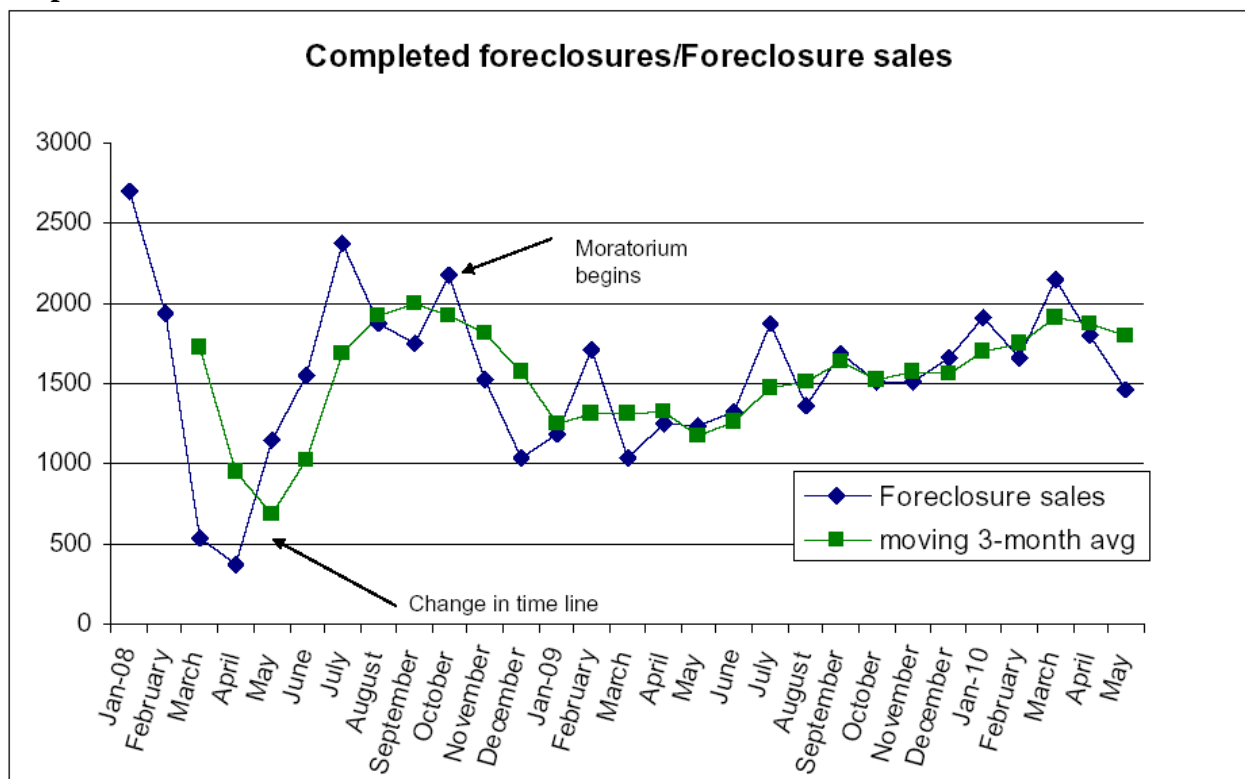
Graph 1



Monthly foreclosure sales totals for metropolitan counties, January 2008- May 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 2



Comparison tables:

Month-over-month comparisons (March to May 2010):

Table 1: Foreclosure filings

County	April	May	Pct Change from previous month
Adams	495	379	-23.4
Arapahoe	446	410	-8.1
Boulder	121	97	-19.8
Broomfield	30	25	-16.7
Denver	419	375	-10.5
Douglas	231	136	-41.1
El Paso	477	382	-19.9
Jefferson	357	315	-11.8
Larimer	150	129	-14.0
Mesa	152	96	-36.8
Pueblo	84	114	35.7
Weld	266	175	-34.2
	3228	2633	-18.4

Table 2: Foreclosure sales

County	April	May	Pct Change from previous month
Adams	255	196	-23.1
Arapahoe	286	227	-20.6
Boulder	54	41	-24.1
Broomfield	10	10	0.0
Denver	259	209	-19.3
Douglas	118	87	-26.3
El Paso	247	181	-26.7
Jefferson	172	155	-9.9
Larimer	75	63	-16.0
Mesa	93	90	-3.2
Pueblo	56	65	16.1
Weld	181	135	-25.4
	1806	1459	-19.2

Year-over-year comparisons of May foreclosure activity:

Table 3: Foreclosure filings

County	May08	May09	May10	Percent change over May 2008	Percent change over May 2009
Adams	555	430	379	-31.7	-11.9
Arapahoe	500	465	410	-18.0	-11.8
Boulder	96	113	97	1.0	-14.2
Broomfield	27	28	25	-7.4	-10.7
Denver	541	489	375	-30.7	-23.3
Douglas	210	199	136	-35.2	-31.7
El Paso	372	468	382	2.7	-18.4
Jefferson	327	334	315	-3.7	-5.7
Larimer	140	172	129	-7.9	-25.0
Mesa	36	95	96	166.7	1.1
Pueblo	105	117	114	8.6	-2.6
Weld	234	288	175	-25.2	-39.2
Total	3143	3198	2633	-16.2	-17.7

Table 4: Foreclosure sales

County	May08	May09	May10	Percent change over May 2008	Percent change over May 2009
Adams	259	209	196	-24.3	-6.2
Arapahoe	307	244	227	-26.1	-7.0
Boulder	37	40	41	10.8	2.5
Broomfield	13	10	10	-23.1	0.0
Denver	193	219	209	8.3	-4.6
Douglas	71	92	87	22.5	-5.4
El Paso	144	178	181	25.7	1.7
Jefferson	128	121	155	21.1	28.1
Larimer	55	80	63	14.5	-21.3
Mesa	7	25	90	1185.7	260.0
Pueblo	76	89	65	-14.5	-27.0
Weld	120	135	135	12.5	0.0
	1151	1233	1459	26.8	18.3

Year-to-date (January-May) comparisons:

Table 5: Foreclosure filings

County	2008 YTD	2009YTD	2010 YTD	Percent change since 2008	Percent change since 2009
Adams	2877	2440	2182	-24.2	-10.6
Arapahoe	2935	2402	2346	-20.1	-2.3
Boulder	487	529	563	15.6	6.4
Broomfield	136	138	130	-4.4	-5.8
Denver	3172	2617	2210	-30.3	-15.6
Douglas	1066	1013	1022	-4.1	0.9
El Paso	2068	2299	2070	0.1	-10.0
Jefferson	1764	1622	1638	-7.1	1.0
Larimer	778	880	734	-5.7	-16.6
Mesa	189	346	645	241.3	86.4
Pueblo	633	666	578	-8.7	-13.2
Weld	1346	1358	1212	-10.0	-10.8
	17451	16310	15330	-12.2	-6.0

Table 6: Foreclosure sales

County	2008 YTD	2009YTD	2010 YTD	Percent change since 2008	Percent change since 2009
County					
Adams	1240	1047	1248	0.6	19.2
Arapahoe	1334	1100	1449	8.6	31.7
Boulder	170	173	289	70.0	67.1
Broomfield	50	42	65	30.0	54.8
Denver	1695	1210	1270	-25.1	5.0
Douglas	432	400	577	33.6	44.3
El Paso	689	919	1164	68.9	26.7
Jefferson	624	643	899	44.1	39.8
Larimer	298	303	408	36.9	34.7
Mesa	36	81	441	1125.0	444.4
Pueblo	295	307	376	27.5	22.5
Weld	583	613	809	38.8	32.0
	7446	6419	8995	20.8	40.1

Foreclosure sales (completed foreclosure) rates in each county:

May 2010 rates, on the right, are compared with 2009 rates on the left.

Table 7

County	May	No. of households per completed foreclosure, 2009	May	No. of households per completed foreclosure, 2010
Adams	209	714	196	761
Arapahoe	244	883	227	949
Boulder	40	2,891	41	2821
Broomfield	10	1,935	10	1935
Denver	219	1,176	209	1232
Douglas	92	1,040	87	1099
El Paso	178	1,226	181	1206
Jefferson	121	1,734	155	1354
Larimer	80	1,395	63	1772
Mesa	25	2,218	90	616
Pueblo	89	672	65	921
Weld	135	634	135	634
Metro total	1233	1,292	1459	1092