

Monthly Metropolitan Foreclosure Report, May 2011

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

Both foreclosure filings and sales at auction were down in May 2011 when compared to May 2010.

Comparing year-over-year from 2010 to 2011, foreclosure filings in May decreased 24.0 percent with totals falling from 2,633 to 2,002.

May 2011 foreclosure sales (completed foreclosures) were down compared to May 2010 with a decrease of 20.0 percent from 1,459 to 1,167.

Filings remained slightly above March's 31-month low with an increase from April to May of 3.6 percent. Foreclosure sales at auction, however, fell 27.2 percent during the same period.

In year-to-date comparisons, comparing the first five months of 2010 with the same period this year, foreclosure filings were down 31.7 percent and sales at auction were down 18.4 percent.

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2008- May 2011

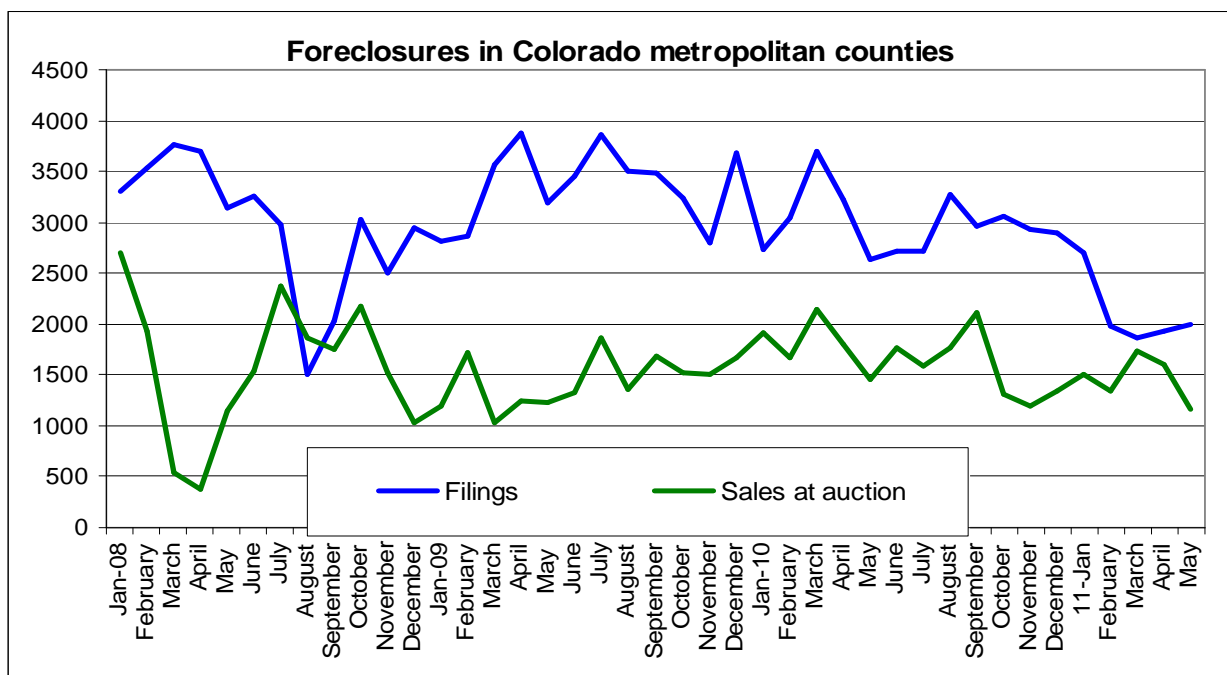
Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

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 first half of 2009, Fannie Mae and Freddie Mac instituted moratoria on finishing pending foreclosures. This temporarily pushed down totals in completed foreclosures during that period.

Foreclosure filings in March were at a 31-month low with the lowest total since August 2008 when foreclosure filings totaled 1,512. Filings have since climbed slightly to a total of 1,933 in April, but filings nevertheless remain at some of the lowest levels measured since 2008.

Sales at auction have climbed back to the same levels at which they have been most months since mid-2009. There is not evidence of any large movements or changes in overall activity in sales at auction at this time.

Graph 1:

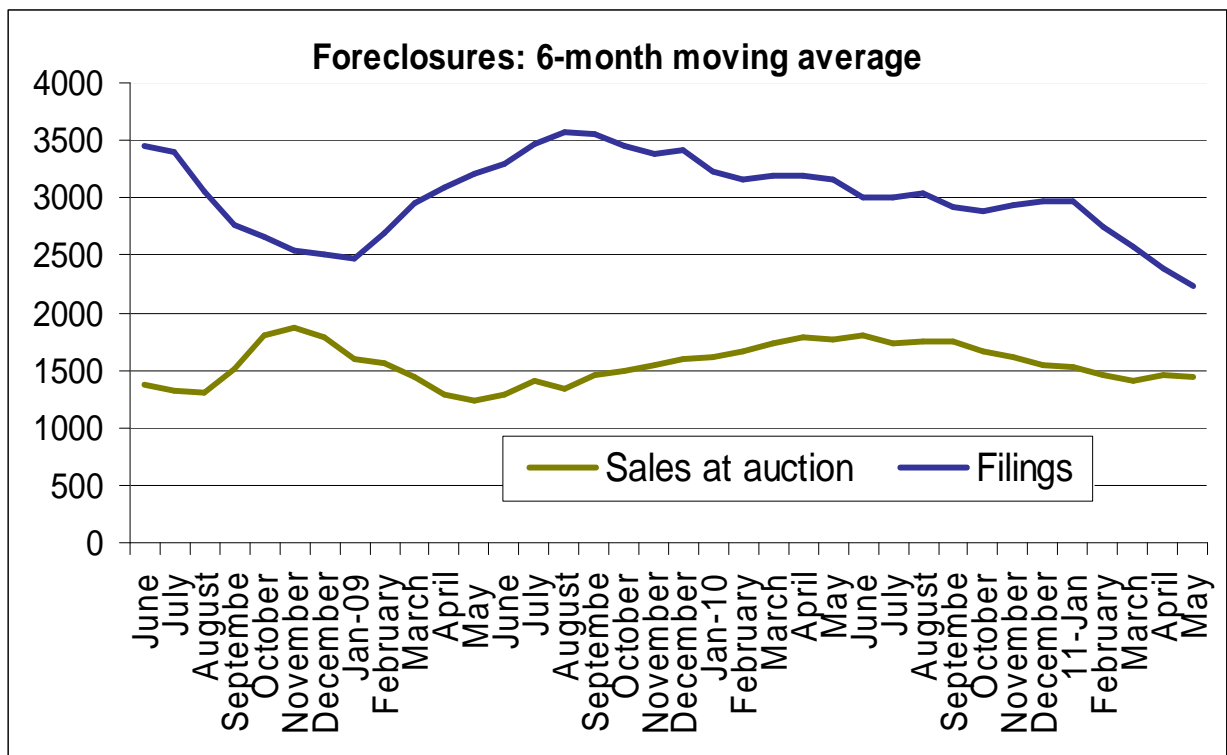


Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-May 2011.

An analysis of a six-month moving average for both filings and sales at auction shows that an overall downward trend in sales at auction has been in place since June 2010.

Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009. Foreclosure sales activity has since declined, but has been largely flat since January 2011.

Graph 2:



Comparison tables:

Month-over-month comparisons (April 2011 to May 2011):

Table 1: Foreclosure filings

County	April	May	Pct Change from previous month
Adams	242	241	-0.4
Arapahoe	319	318	-0.3
Boulder	97	94	-3.1
Broomfield	19	19	0.0
Denver	278	269	-3.2
Douglas	101	145	43.6
El Paso	276	254	-8.0
Jefferson	197	187	-5.1
Larimer	73	114	56.2
Mesa	92	92	0.0
Pueblo	78	104	33.3
Weld	161	165	2.5
	1933	2002	3.6

Table 2: Foreclosure sales

County	April	May	Pct Change from previous month
Adams	222	166	-25.2
Arapahoe	256	167	-34.8
Boulder	61	30	-50.8
Broomfield	5	3	-40.0
Denver	267	179	-33.0
Douglas	101	86	-14.9
El Paso	181	159	-12.2
Jefferson	181	112	-38.1
Larimer	64	53	-17.2
Mesa	86	57	-33.7
Pueblo	70	59	-15.7
Weld	110	96	-12.7
	1604	1167	-27.2

Year-over-year comparisons of May foreclosure activity:

Table 3: Foreclosure filings

County	May	May	Year-over-year percent change
Adams	379	241	-36.4
Arapahoe	410	318	-22.4
Boulder	97	94	-3.1
Broomfield	25	19	-24.0
Denver	375	269	-28.3
Douglas	136	145	6.6
El Paso	382	254	-33.5
Jefferson	315	187	-40.6
Larimer	129	114	-11.6
Mesa	96	92	-4.2
Pueblo	114	104	-8.8
Weld	175	165	-5.7
Total	2633	2002	-24.0

Table 4: Foreclosure sales

County	May	May	Year-over-year percent change
Adams	196	166	-15.3
Arapahoe	227	167	-26.4
Boulder	41	30	-26.8
Broomfield	10	3	-70.0
Denver	209	179	-14.4
Douglas	87	86	-1.1
El Paso	181	159	-12.2
Jefferson	155	112	-27.7
Larimer	63	53	-15.9
Mesa	90	57	-36.7
Pueblo	65	59	-9.2
Weld	135	96	-28.9
	1459	1167	-20.0

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

Table 5: Foreclosure filings

County	May YTD 2010	May YTD 2011	Percent Change from 2010
Adams	2182	1385	-36.5
Arapahoe	2346	1627	-30.6
Boulder	563	422	-25.0
Broomfield	130	96	-26.2
Denver	2210	1377	-37.7
Douglas	1022	703	-31.2
El Paso	2070	1501	-27.5
Jefferson	1638	1097	-33.0
Larimer	734	505	-31.2
Mesa	645	451	-30.1
Pueblo	578	487	-15.7
Weld	1212	827	-31.8
Total	15330	10478	-31.7

Table 6: Foreclosure sales

County	May YTD 2010	May YTD 2011	Percent Change from 2010
Adams	1248	981	-21.4
Arapahoe	1449	1138	-21.5
Boulder	289	248	-14.2
Broomfield	65	30	-53.8
Denver	1270	1094	-13.9
Douglas	577	501	-13.2
El Paso	1164	917	-21.2
Jefferson	899	750	-16.6
Larimer	408	342	-16.2
Mesa	441	407	-7.7
Pueblo	376	337	-10.4
Weld	809	599	-26.0
Total	8995	7344	-18.4

Foreclosure sales (completed foreclosure) rates in each county:

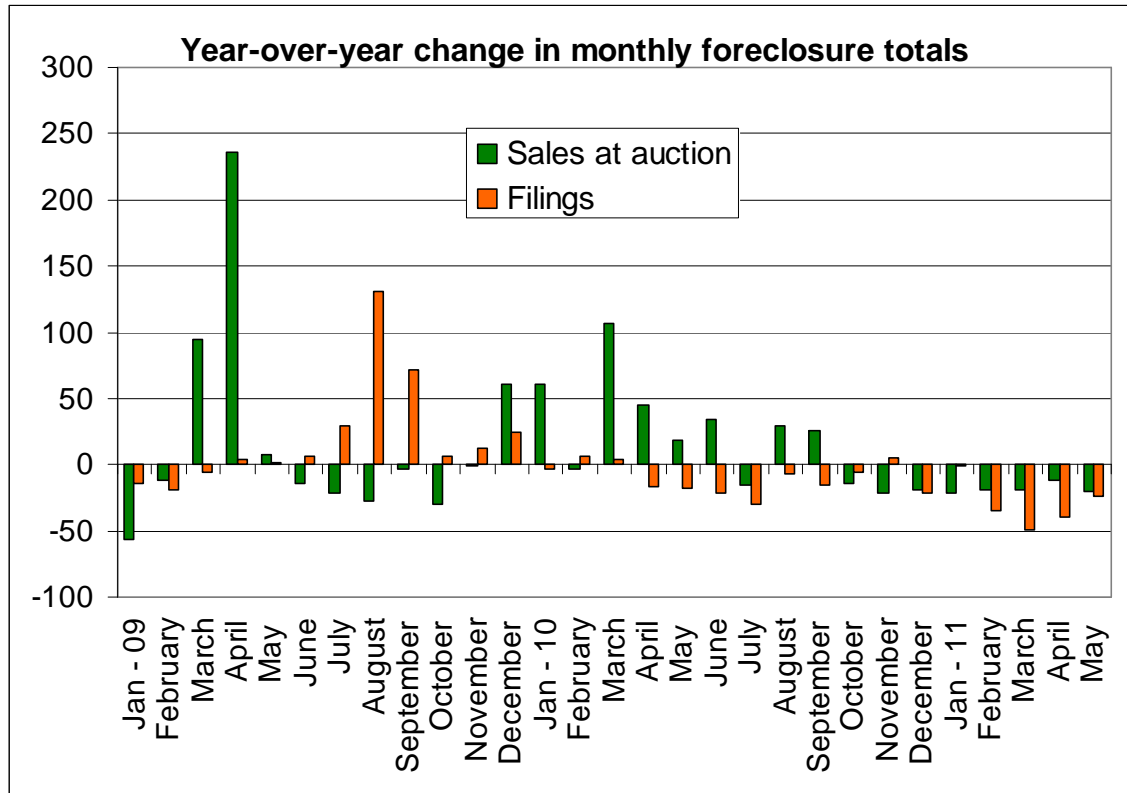
May 2011 rates, on the right, are compared with 2010 rates on the left.

Table 7:

County	May	No. of households per completed foreclosure, 2010	May	No. of households per completed foreclosure, 2011	
Adams		196	761	166	899
Arapahoe		227	949	167	1,290
Boulder		41	2,821	30	3,855
Broomfield		10	1,935	3	6,450
Denver		209	1,232	179	1,439
Douglas		87	1,099	86	1,112
El Paso		181	1,206	159	1,373
Jefferson		155	1,354	112	1,874
Larimer		63	1,772	53	2,106
Mesa		90	616	57	973
Pueblo		65	921	59	1,014
Weld		135	634	96	891
Metro total		1459	1,092	1167	1,365

Appendix: Additional Analysis

Graph 3:



May 2011 marks the sixth month in a row during which both foreclosure filings and sales at auctions were down when compared to the same month the previous year.

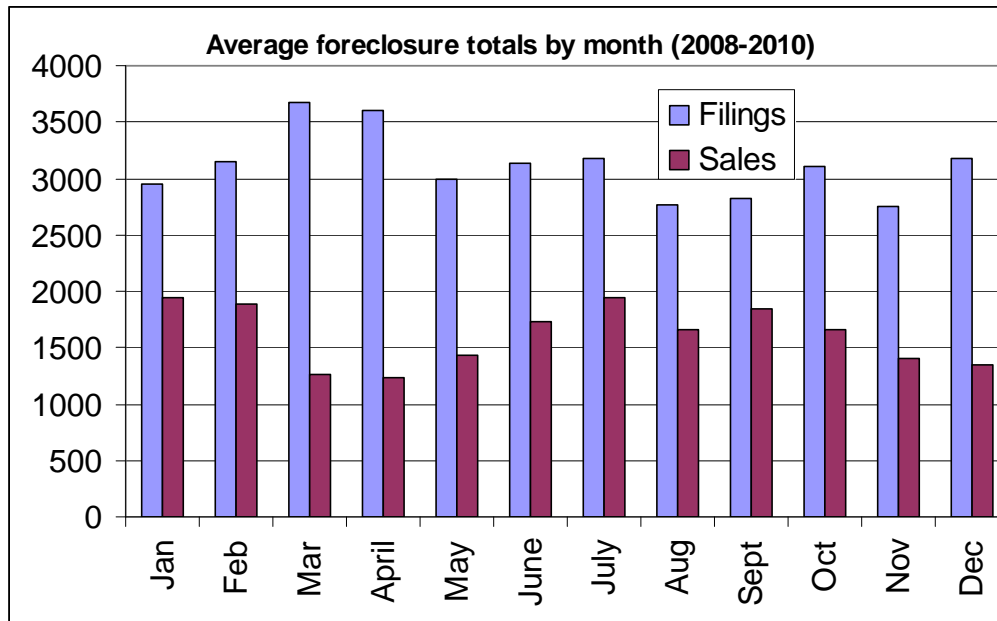
Graph 4:

Seasonal Factors:

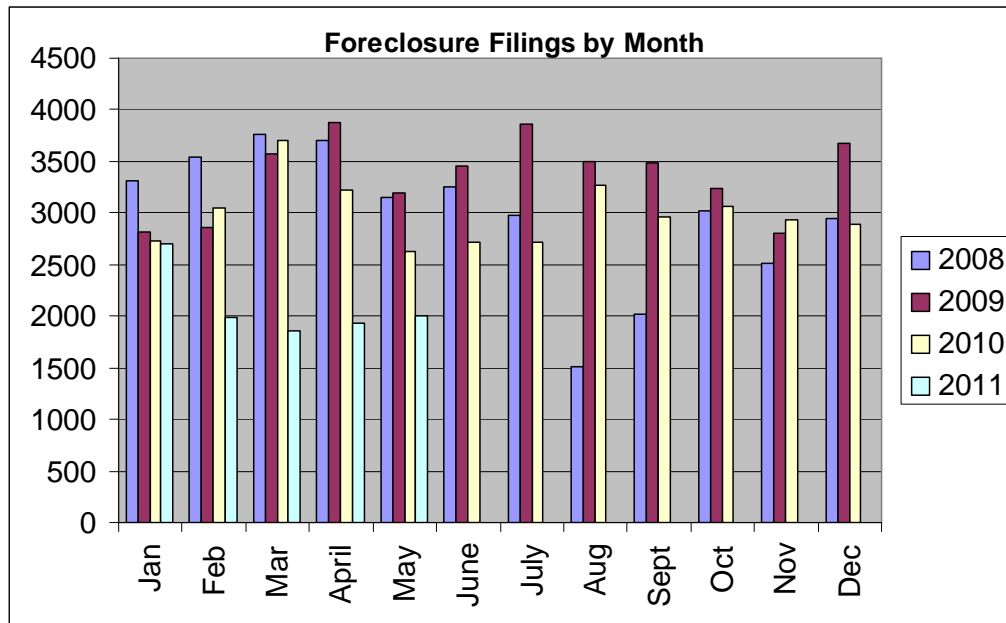
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an increased number of foreclosure filings three to four months later.

Although we only have three years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April.

Foreclosure sales, on the other hand, tend to peak in both January-February and during summer and early autumn. The increases found during January and February are likely due to increases in the speed with which foreclosures are processed following the holiday season. Traditionally, some loan servicers have held off pushing loans to the final stage of foreclosure until after the holidays. The increases in sales found during the summer and early autumn months likely reflect the increased number of filings that occur during March and April. As these filings move through the system, they show up as sales at auction several months later.

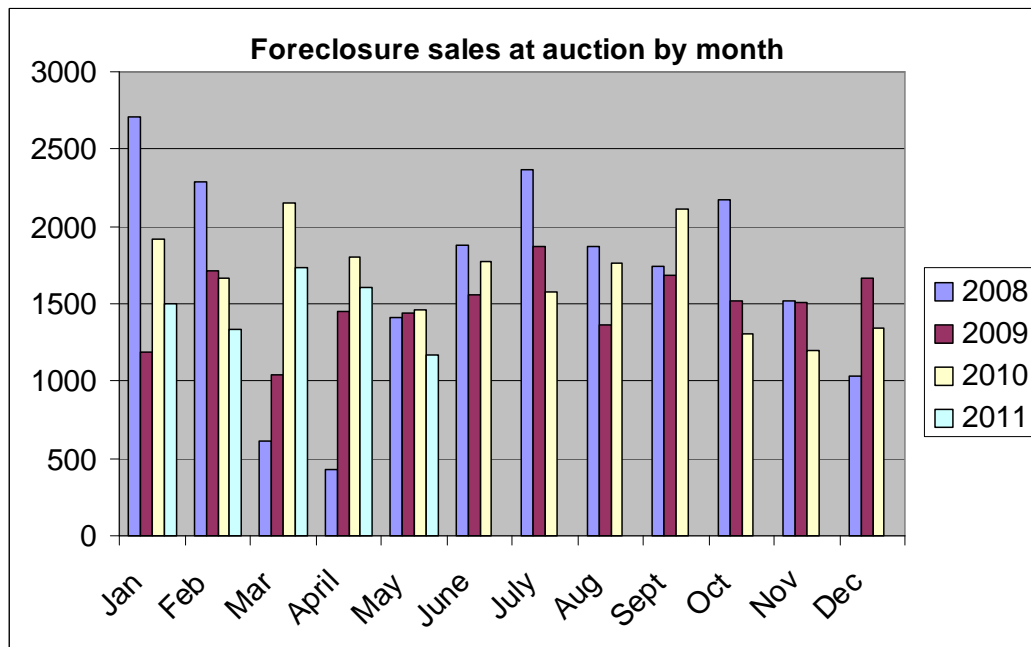


Graph 5: Foreclosure filings by month and year



In each month from January through May of this year, there have been fewer new foreclosure filings than during the same months during the years of 2008, 2009 and 2010. Foreclosure filings activity is clearly well below activity reported in recent years.

Graph 6: Foreclosure sales at auction by month and year



Unlike foreclosure filings totals, foreclosure sales at auction totals have not shown a sizable downward trend during the early months of this year. In fact, foreclosure sales totals from March and April were above totals from 2008 and 2009.