

Monthly Metropolitan Foreclosure Report, July 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 July 2011 when compared to July 2010.

Comparing year-over-year from 2010 to 2011, foreclosure filings in July decreased 36.2 percent with totals falling from 2,718 to 1,733.

July 2011 foreclosure sales (completed foreclosures) were down compared to July 2010 with a decrease of 28.3 percent from 1,581 to 1,134.

Filings fell to a 36-month low with a 10.9 percent drop from June to July. Foreclosure sales at auction fell to a 29-month low with a drop of 25 percent from June to July.

In year-to-date comparisons, comparing the first seven months of 2010 with the same period this year, foreclosure filings were down 31.8 percent and sales at auction were down 19 percent.

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

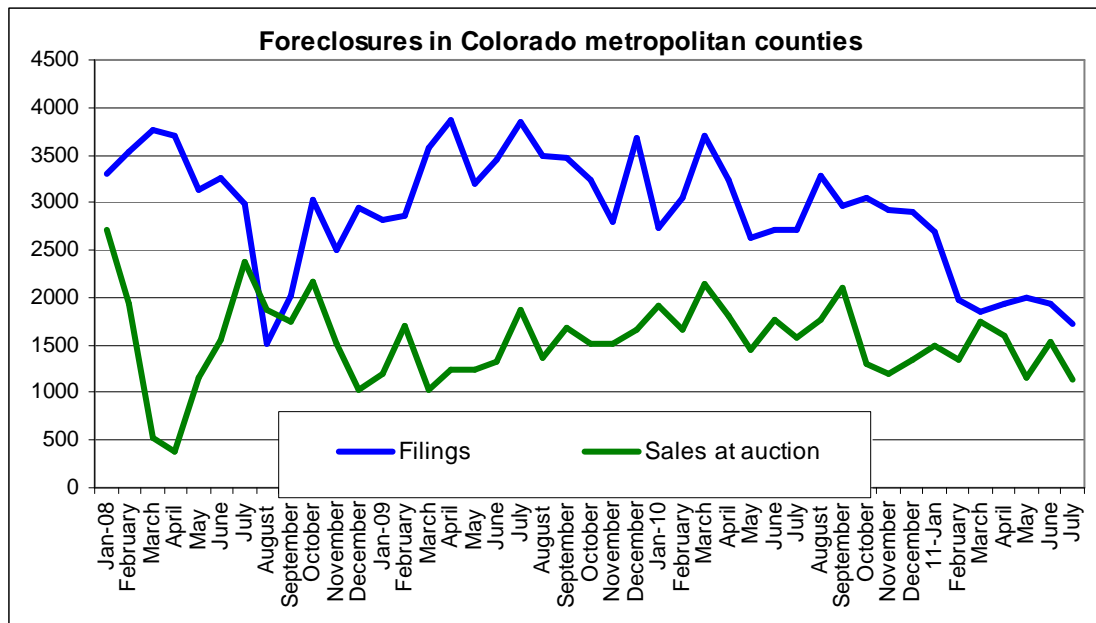
Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

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 July were at a 36-month low with the lowest total since August 2008 when foreclosure filings totaled 1,512.

Sales at auction have remained slightly below 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. Nevertheless, sales are now at a 29-month low, with the smallest sales total since December 2008.

Graph 1:

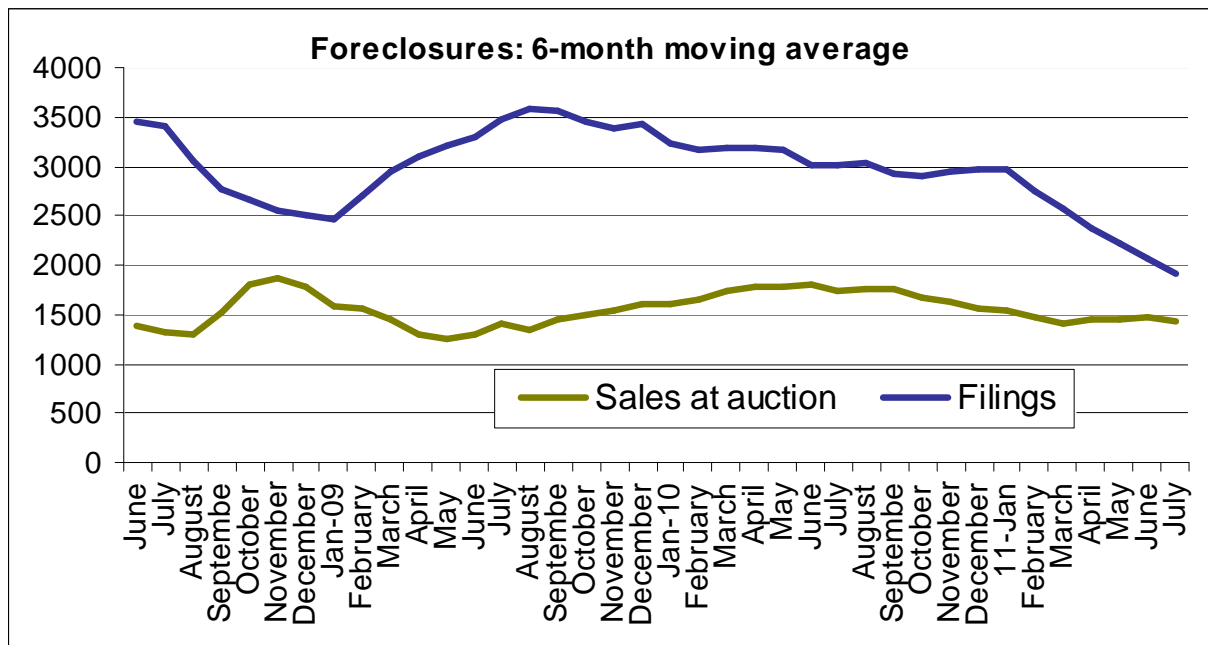


Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-July 2011.

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 (June 2011 to July 2011):

Table 1: Foreclosure filings

County	June	July	Pct Change from previous month
Adams	305	219	-28.2
Arapahoe	336	250	-25.6
Boulder	73	61	-16.4
Broomfield	13	14	7.7
Denver	279	215	-22.9
Douglas	114	116	1.8
El Paso	242	238	-1.7
Jefferson	137	189	38.0
Larimer	145	93	-35.9
Mesa	73	98	34.2
Pueblo	94	84	-10.6
Weld	134	156	16.4
	1945	1733	-10.9

Table 2: Foreclosure sales

County	June	July	Pct Change from previous month
Adams	211	149	-29.4
Arapahoe	261	150	-42.5
Boulder	44	46	4.5
Broomfield	9	11	22.2
Denver	193	175	-9.3
Douglas	77	74	-3.9
El Paso	239	153	-36.0
Jefferson	158	115	-27.2
Larimer	77	59	-23.4
Mesa	60	55	-8.3
Pueblo	71	51	-28.2
Weld	127	96	-24.4
	1527	1134	-25.7

Year-over-year comparisons of July foreclosure activity:

Table 3: Foreclosure filings

County	Jul-10	Jul-11	Year-over-year percent change
Adams	350	219	-37.4
Arapahoe	435	250	-42.5
Boulder	99	61	-38.4
Broomfield	31	14	-54.8
Denver	387	215	-44.4
Douglas	162	116	-28.4
El Paso	353	238	-32.6
Jefferson	296	189	-36.1
Larimer	156	93	-40.4
Mesa	162	98	-39.5
Pueblo	88	84	-4.5
Weld	199	156	-21.6
Total	2718	1733	-36.2

Table 4: Foreclosure sales

County	Jul-10	Jul-11	Year-over-year percent change
Adams	224	149	-33.5
Arapahoe	256	150	-41.4
Boulder	39	46	17.9
Broomfield	12	11	-8.3
Denver	253	175	-30.8
Douglas	102	74	-27.5
El Paso	188	153	-18.6
Jefferson	152	115	-24.3
Larimer	62	59	-4.8
Mesa	84	55	-34.5
Pueblo	66	51	-22.7
Weld	143	96	-32.9
Total	1581	1134	-28.3

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

Table 5: Foreclosure filings

	July YTD 2010	July YTD 2011	Percent Change from 2010
Adams	2867	1909	-33.4
Arapahoe	3228	2213	-31.4
Boulder	758	556	-26.6
Broomfield	186	123	-33.9
Denver	2937	1871	-36.3
Douglas	1390	933	-32.9
El Paso	2773	1981	-28.6
Jefferson	2213	1423	-35.7
Larimer	1014	743	-26.7
Mesa	929	622	-33.0
Pueblo	810	665	-17.9
Weld	1655	1117	-32.5
Total	20760	14156	-31.8

Table 6: Foreclosure sales

	July YTD 2010	July YTD 2011	Percent Change from 2010
Adams	1766	1341	-24.1
Arapahoe	1994	1549	-22.3
Boulder	384	338	-12.0
Broomfield	87	50	-42.5
Denver	1772	1462	-17.5
Douglas	797	652	-18.2
El Paso	1558	1309	-16.0
Jefferson	1233	1023	-17.0
Larimer	547	478	-12.6
Mesa	620	522	-15.8
Pueblo	499	459	-8.0
Weld	1094	822	-24.9
Total	12351	10005	-19.0

Foreclosure sales (completed foreclosure) rates in each county:

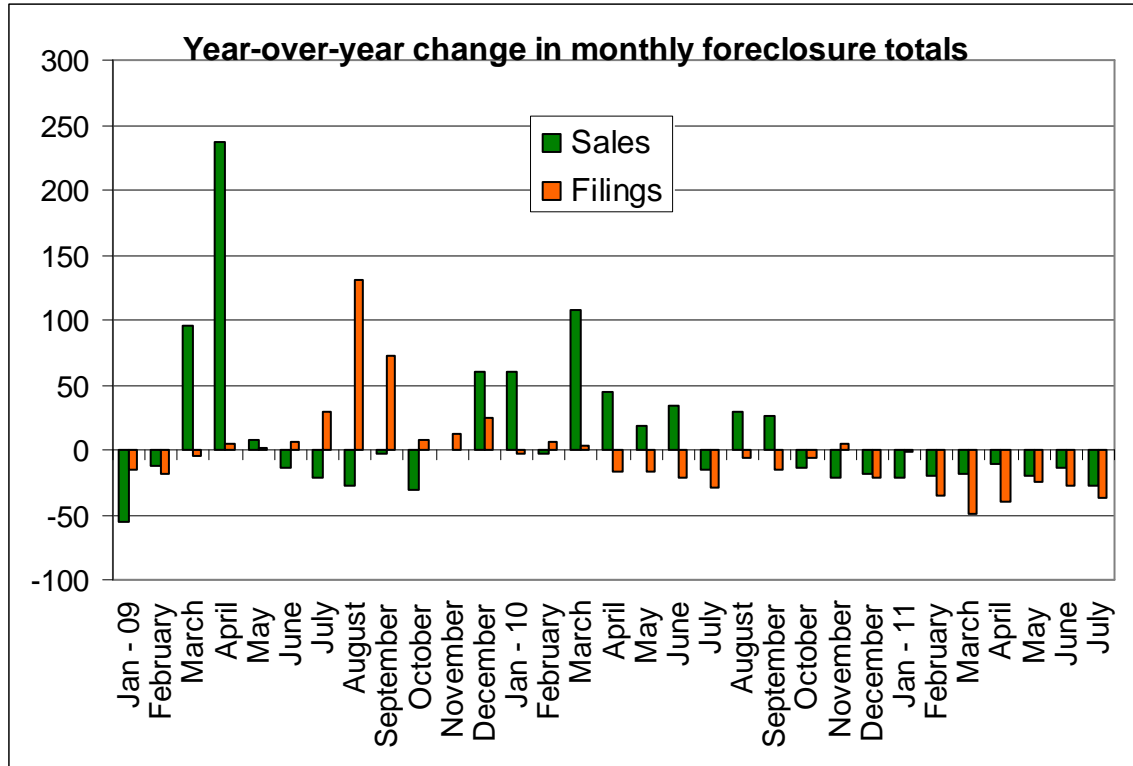
July 2011 rates, on the right, are compared with 2010 rates on the left.

Table 7:

County	July	No. of households per completed foreclosure, 2010	July	No. of households per completed foreclosure, 2011
Adams	224	666	149	1,001
Arapahoe	256	841	150	1,436
Boulder	39	2,966	46	2,514
Broomfield	12	1,613	11	1,759
Denver	253	1,018	175	1,472
Douglas	102	938	74	1,293
El Paso	188	1,161	153	1,427
Jefferson	152	1,381	115	1,825
Larimer	62	1,800	59	1,892
Mesa	84	660	55	1,008
Pueblo	66	907	51	1,173
Weld	143	598	96	891
Metro total	1581	1,008	1134	1,405

Appendix: Additional Analysis

Graph 3:



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

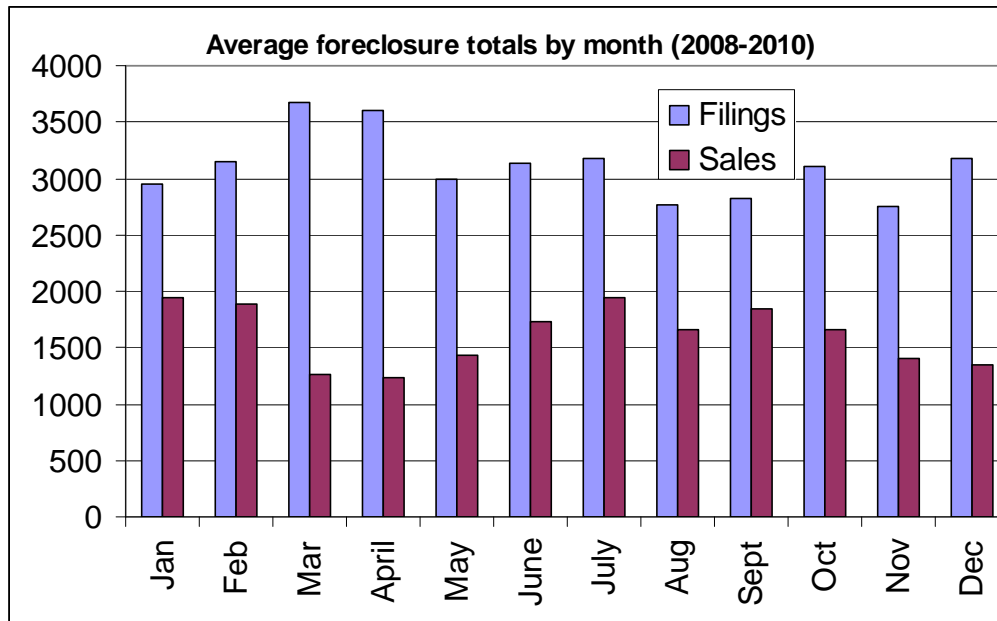
Graph 4:

Seasonal Factors:

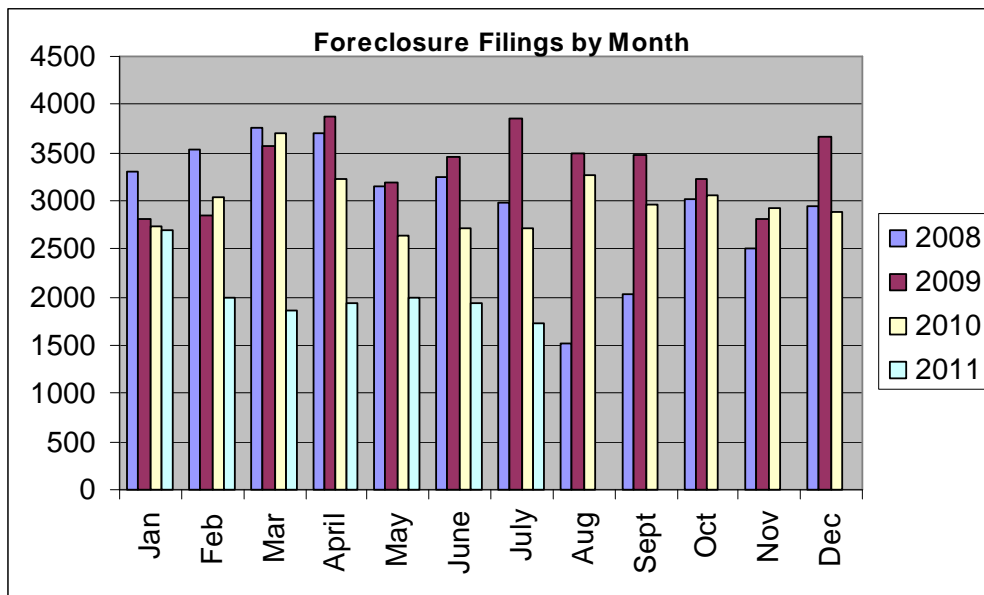
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

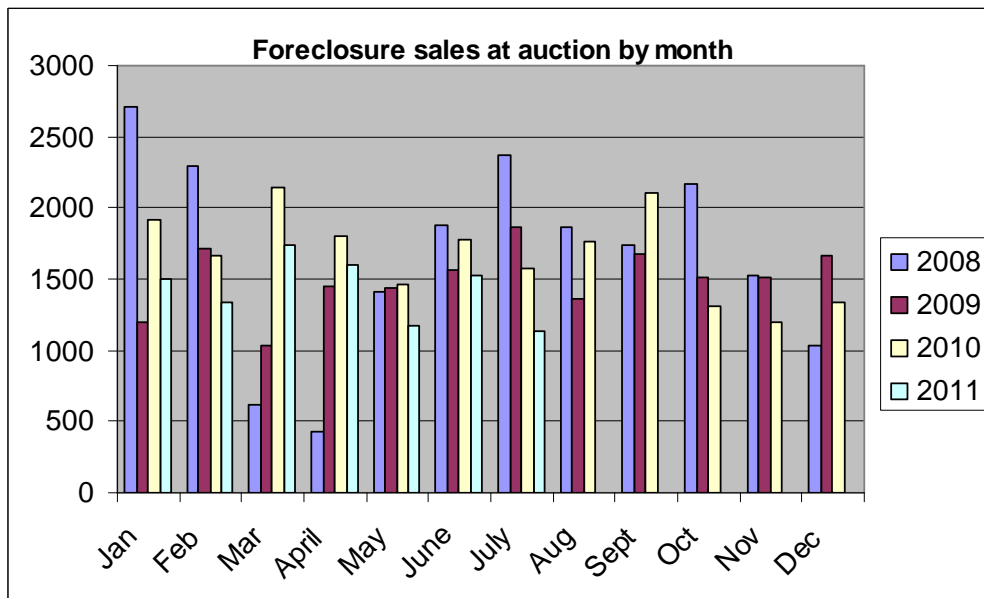


Graph 5: Foreclosure filings by month and year



In each month from January through July of this year, there have been fewer new foreclosure filings that 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.