

# **Monthly Metropolitan Foreclosure Report, August 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 August 2011 when compared to August 2010.

Comparing year-over-year from 2010 to 2011, foreclosure filings in August decreased 28.9 percent with totals falling from 3,272 to 2,325.

August 2011 foreclosure sales (completed foreclosures) were down compared to August 2010 with a decrease of 15.1 percent from 1,763 to 1,497.

Filings rose to a 6-month high with a 34.2 percent increase from July to August. Foreclosure sales at auction rose to a 2-month high with an increase of 32 percent from July to August of this year.

In year-to-date comparisons, comparing the first seven months of 2010 with the same period this year, foreclosure filings were down 31.4 percent and sales at auction were down 18.5 percent.

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

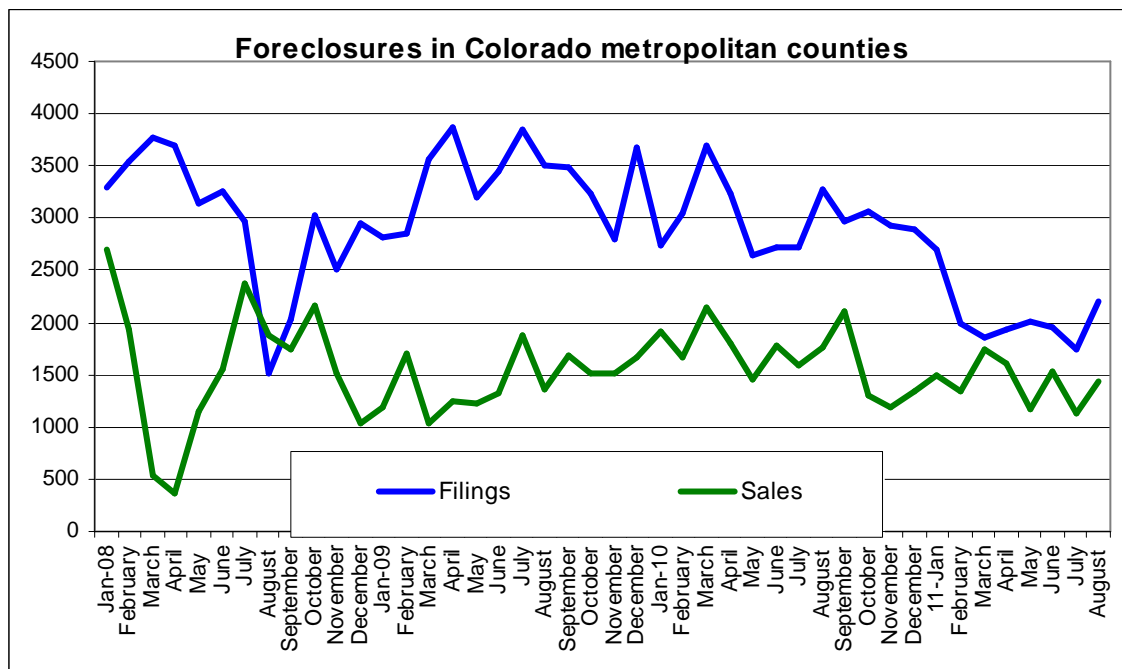
Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

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.

**Graph 1:**



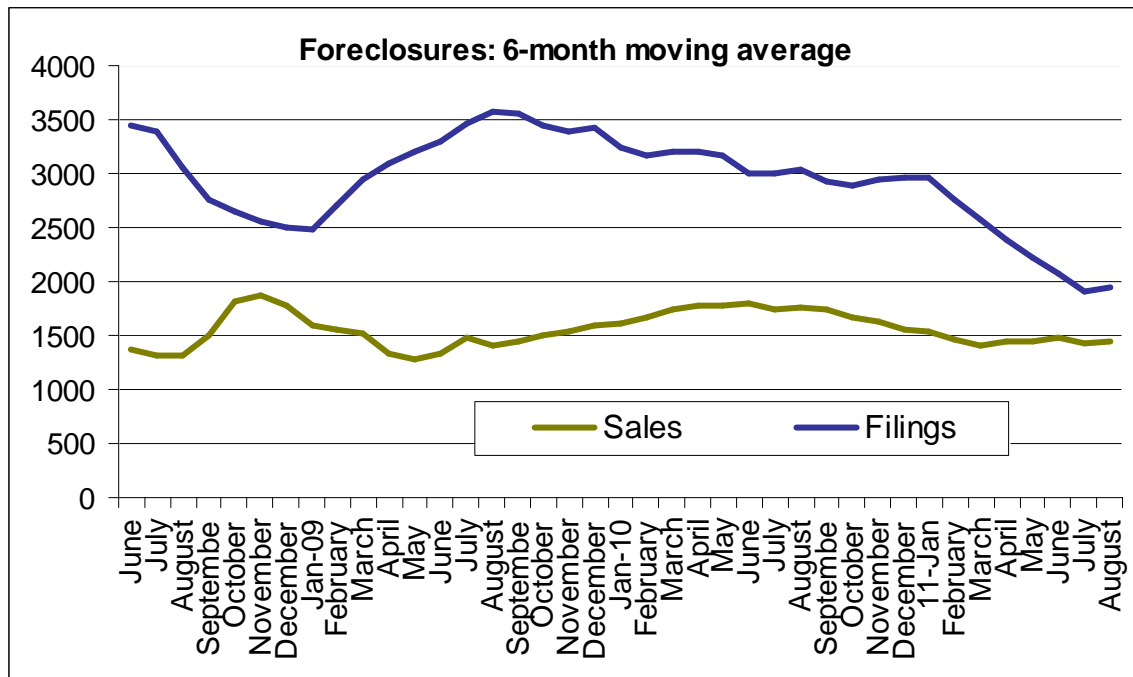
**Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-August 2011.**

An analysis of a six-month moving average for both filings and sales at auction:

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 filings activity declined significantly between January 2011 and July 2011. Foreclosure sales activity has generally been flat since January 2011.

**Graph 2:**



**Comparison tables:**

**Month-over-month comparisons (July 2011 to August 2011):**

**Table 1: Foreclosure filings**

County	July	August	Pct Change from previous month
Adams	219	285	30.1
Arapahoe	250	376	50.4
Boulder	61	82	34.4
Broomfield	14	29	107.1
Denver	215	340	58.1
Douglas	116	162	39.7
El Paso	238	334	40.3
Jefferson	189	234	23.8
Larimer	93	122	31.2
Mesa	98	86	-12.2
Pueblo	84	126	50.0
Weld	156	149	-4.5
	<b>1733</b>	<b>2325</b>	<b>34.2</b>

**Table 2: Foreclosure sales**

County	July	August	Pct Change from previous month
Adams	149	195	30.9
Arapahoe	150	266	77.3
Boulder	46	43	-6.5
Broomfield	11	10	-9.1
Denver	175	186	6.3
Douglas	74	97	31.1
El Paso	153	201	31.4
Jefferson	115	160	39.1
Larimer	59	52	-11.9
Mesa	55	99	80.0
Pueblo	51	72	41.2
Weld	96	116	20.8
	<b>1134</b>	<b>1497</b>	<b>32.0</b>

**Year-over-year comparisons of August foreclosure activity:**

**Table 3: Foreclosure filings**

County	Aug-10	Aug-11	Year-over-year percent change
Adams	537	285	-46.9
Arapahoe	470	376	-20.0
Boulder	131	82	-37.4
Broomfield	24	29	20.8
Denver	440	340	-22.7
Douglas	259	162	-37.5
El Paso	427	334	-21.8
Jefferson	325	234	-28.0
Larimer	169	122	-27.8
Mesa	106	86	-18.9
Pueblo	129	126	-2.3
Weld	255	149	-41.6
<b>Total</b>	<b>3272</b>	<b>2325</b>	<b>-28.9</b>

**Table 4: Foreclosure sales**

County	Aug-10	Aug-11	Year-over-year percent change
Adams	242	195	-19.4
Arapahoe	240	266	10.8
Boulder	57	43	-24.6
Broomfield	19	10	-47.4
Denver	315	186	-41.0
Douglas	108	97	-10.2
El Paso	262	201	-23.3
Jefferson	168	160	-4.8
Larimer	81	52	-35.8
Mesa	77	99	28.6
Pueblo	59	72	22.0
Weld	135	116	-14.1
<b>Total</b>	<b>1763</b>	<b>1497</b>	<b>-15.1</b>

**Year-to-date (January-August) comparisons:**

**Table 5: Foreclosure filings**

	August YTD 2010	August YTD 2011	Percent Change from 2010
Adams	3404	2194	-35.5
Arapahoe	3698	2589	-30.0
Boulder	889	638	-28.2
Broomfield	210	152	-27.6
Denver	3377	2211	-34.5
Douglas	1649	1095	-33.6
El Paso	3200	2315	-27.7
Jefferson	2538	1657	-34.7
Larimer	1183	865	-26.9
Mesa	1035	708	-31.6
Pueblo	939	791	-15.8
Weld	1910	1266	-33.7
Total	24032	16481	-31.4

**Table 6: Foreclosure sales**

	August YTD 2010	August YTD 2011	Percent Change from 2010
Adams	2008	1536	-23.5
Arapahoe	2234	1815	-18.8
Boulder	441	381	-13.6
Broomfield	106	60	-43.4
Denver	2087	1648	-21.0
Douglas	905	749	-17.2
El Paso	1820	1510	-17.0
Jefferson	1401	1183	-15.6
Larimer	628	530	-15.6
Mesa	697	621	-10.9
Pueblo	558	531	-4.8
Weld	1229	938	-23.7
Total	14114	11502	-18.5

**Foreclosure sales (completed foreclosure) rates in each county:**

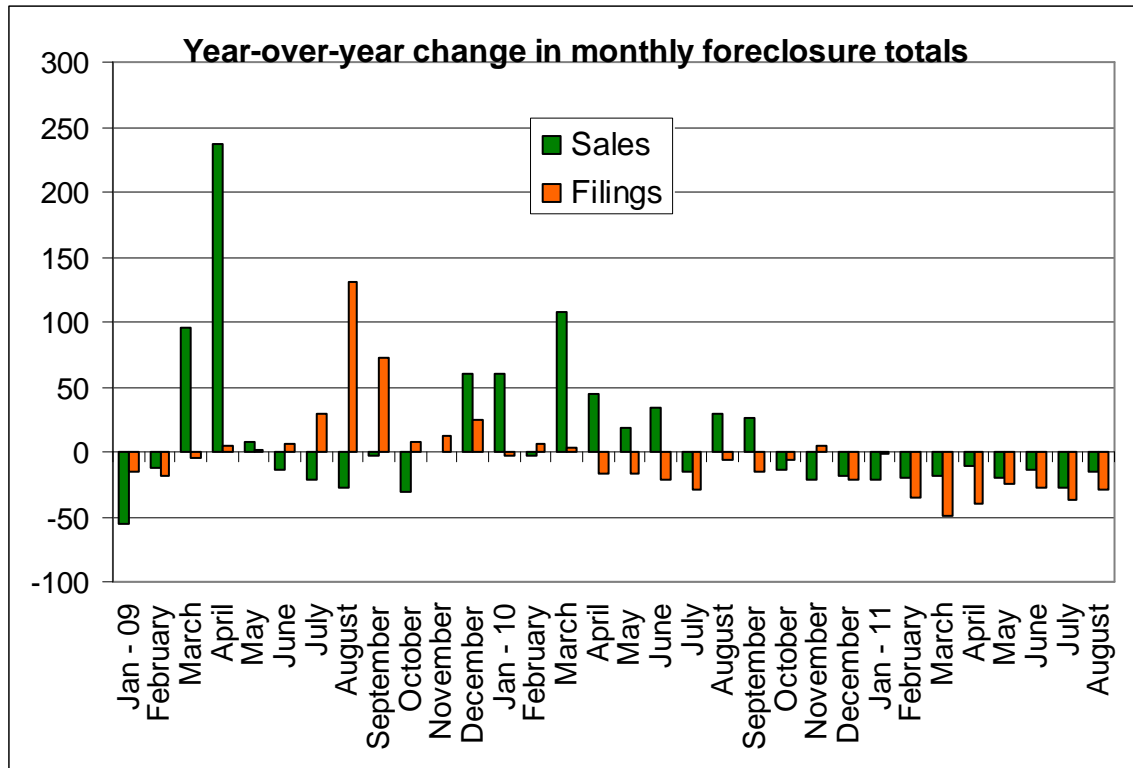
August 2011 rates, on the right, are compared with 2010 rates on the left.

**Table 7:**

County	August 2010	No. of households per completed foreclosure, 2010	August 2011	No. of households per completed foreclosure, 2011
Adams	242	616	195	765
Arapahoe	240	897	266	810
Boulder	57	2,029	43	2,690
Broomfield	19	1,018	10	1,935
Denver	315	818	186	1,385
Douglas	108	886	97	986
El Paso	262	833	201	1,086
Jefferson	168	1,249	160	1,312
Larimer	81	1,378	52	2,146
Mesa	77	720	99	560
Pueblo	59	1,014	72	831
Weld	135	634	116	738
Metro total	<b>1763</b>	904	<b>1497</b>	1,064

## Appendix: Additional Analysis

Graph 3:



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



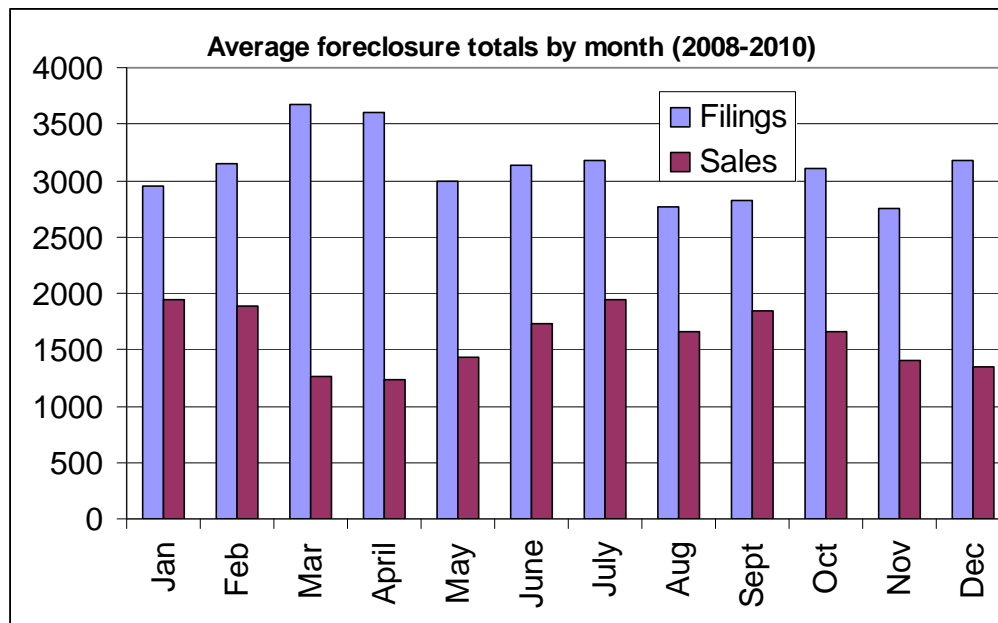
#### Graph 4:

##### Seasonal Factors:

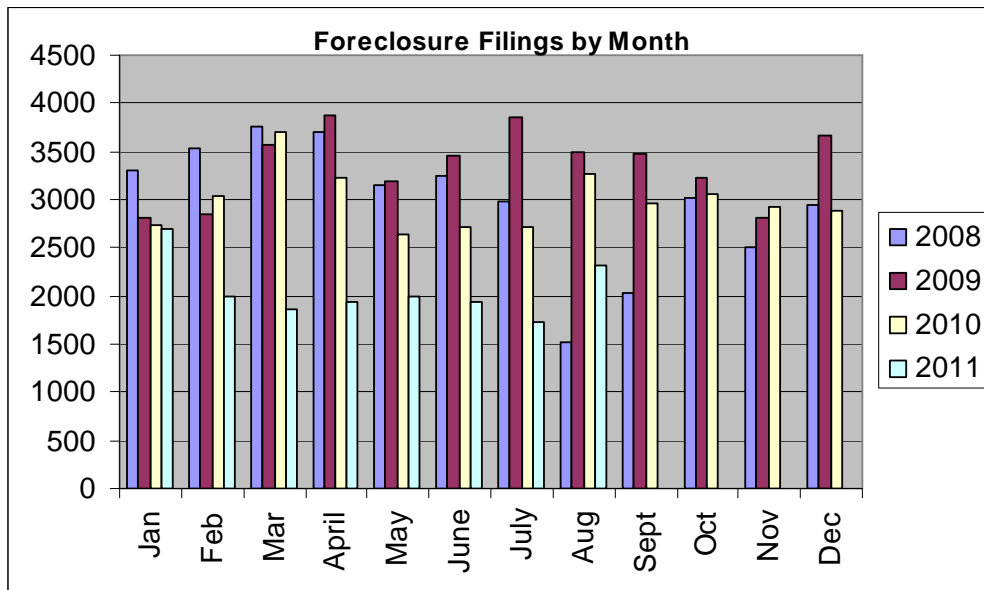
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

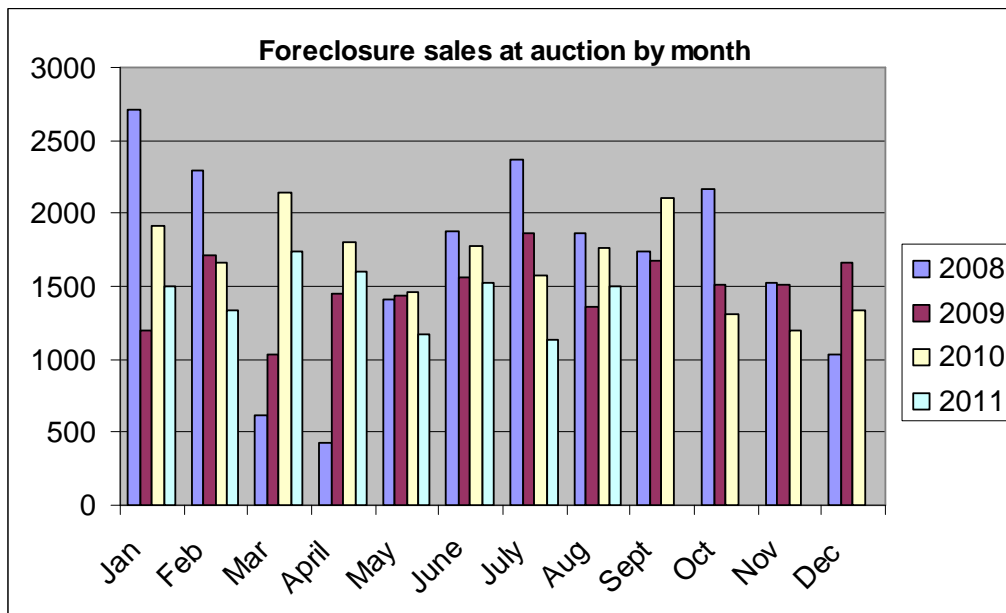


**Graph 5:** Foreclosure filings by month and year



In each month from January through August of this year, there have been fewer new foreclosure filings than during the same months during the years of 2008, 2009 and 2010, with the exception of August 2008. 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.