

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

Comparing year-over-year from 2010 to 2011, foreclosure filings in September decreased 17.9 percent with totals falling from 2,959 to 2,429.

September 2011 foreclosure sales (completed foreclosures) were down compared to September 2010 with a decrease of 46.8 percent from 2,111 to 1,124. The year-over-year drop in auction sales is the largest drop reported since January 2009.

Filings rose to an 8-month high with a 4.5 percent increase from August to September. Foreclosure sales at auction fell to a 4-month low with a decrease of 24.9 percent from August to September of this year.

In year-to-date comparisons, comparing the first nine months of 2010 with the same period this year, foreclosure filings were down 29.9 percent and sales at auction were down 22.2 percent.

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

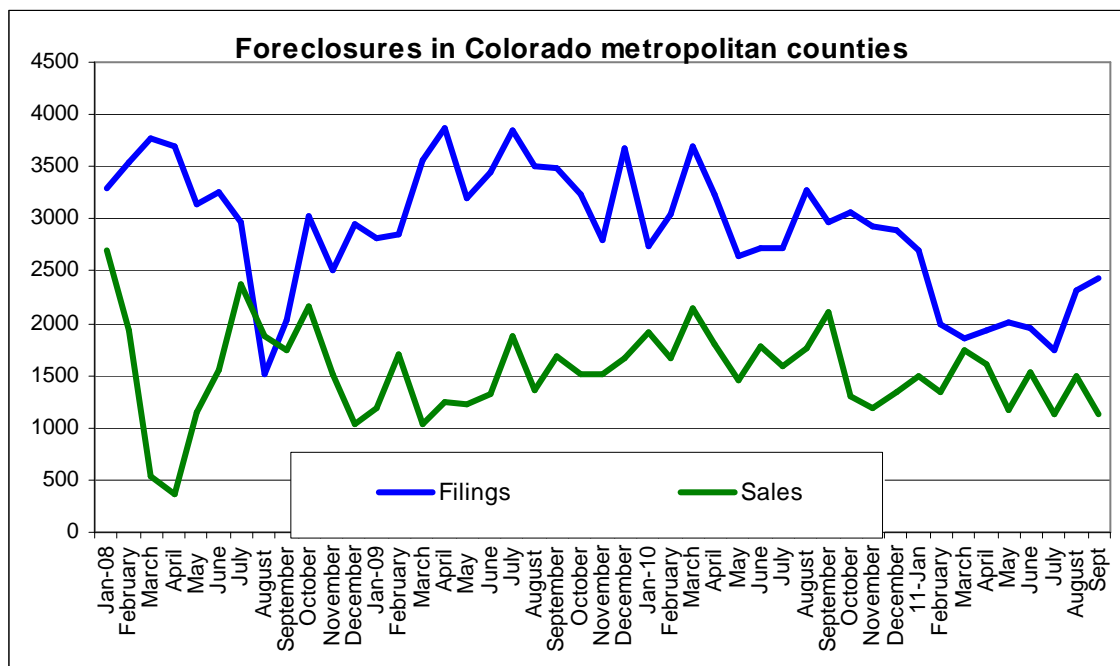
Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

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:



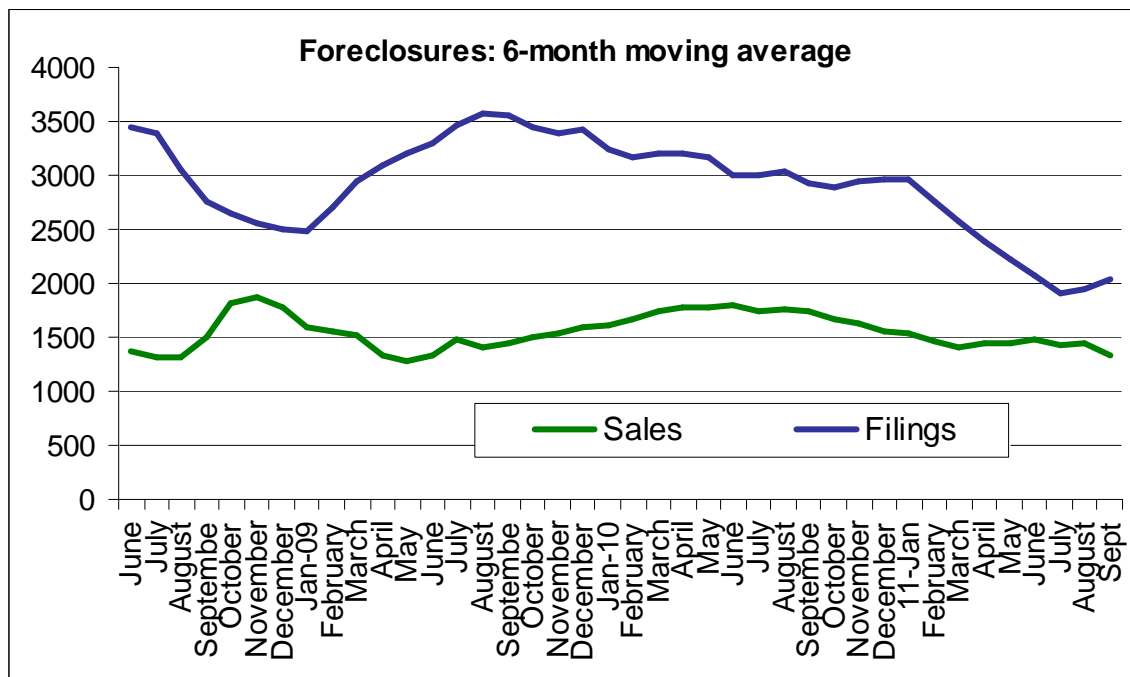
Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-September 2011.

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 (August 2011 to September 2011):

Table 1: Foreclosure filings

County	August	September	Pct Change from previous month
Adams	285	352	23.5
Arapahoe	376	356	-5.3
Boulder	82	94	14.6
Broomfield	29	20	-31.0
Denver	340	313	-7.9
Douglas	162	178	9.9
El Paso	334	300	-10.2
Jefferson	234	321	37.2
Larimer	122	147	20.5
Mesa	86	115	33.7
Pueblo	126	85	-32.5
Weld	149	148	-0.7
	2325	2429	4.5

Table 2: Foreclosure sales

County	August	September	Pct Change from previous month
Adams	195	128	-34.4
Arapahoe	266	167	-37.2
Boulder	43	31	-27.9
Broomfield	10	7	-30.0
Denver	186	181	-2.7
Douglas	97	77	-20.6
El Paso	201	143	-28.9
Jefferson	160	93	-41.9
Larimer	52	60	15.4
Mesa	99	75	-24.2
Pueblo	72	56	-22.2
Weld	116	106	-8.6
	1497	1124	-24.9

Year-over-year comparisons of September foreclosure activity:

Table 3: Foreclosure filings

County	September	September	Year-over-year percent change
Adams	389	352	-9.5
Arapahoe	448	356	-20.5
Boulder	123	94	-23.6
Broomfield	20	20	0.0
Denver	448	313	-30.1
Douglas	232	178	-23.3
El Paso	377	300	-20.4
Jefferson	308	321	4.2
Larimer	153	147	-3.9
Mesa	183	115	-37.2
Pueblo	106	85	-19.8
Weld	172	148	-14.0
Total	2959	2429	-17.9

Table 4: Foreclosure sales

County	September	September	Year-over-year percent change
Adams	338	128	-62.1
Arapahoe	327	167	-48.9
Boulder	64	31	-51.6
Broomfield	18	7	-61.1
Denver	249	181	-27.3
Douglas	128	77	-39.8
El Paso	296	143	-51.7
Jefferson	221	93	-57.9
Larimer	100	60	-40.0
Mesa	103	75	-27.2
Pueblo	119	56	-52.9
Weld	148	106	-28.4
Total	2111	1124	-46.8

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

Table 5: Foreclosure filings

	Sept YTD 2010	Sept YTD 2011	Percent Change from 2010
Adams	3793	2546	-32.9
Arapahoe	4146	2945	-29.0
Boulder	1012	732	-27.7
Broomfield	230	172	-25.2
Denver	3825	2524	-34.0
Douglas	1881	1273	-32.3
El Paso	3577	2615	-26.9
Jefferson	2846	1978	-30.5
Larimer	1336	1012	-24.3
Mesa	1218	823	-32.4
Pueblo	1045	876	-16.2
Weld	2082	1414	-32.1
Total	26991	18910	-29.9

Table 6: Foreclosure sales

	Sept YTD 2010	Sept YTD 2011	Percent Change from 2010
Adams	2346	1664	-29.1
Arapahoe	2561	1982	-22.6
Boulder	505	412	-18.4
Broomfield	124	67	-46.0
Denver	2336	1829	-21.7
Douglas	1033	826	-20.0
El Paso	2116	1653	-21.9
Jefferson	1622	1276	-21.3
Larimer	728	590	-19.0
Mesa	800	696	-13.0
Pueblo	677	587	-13.3
Weld	1377	1044	-24.2
Total	16225	12626	-22.2

Foreclosure sales (completed foreclosure) rates in each county:

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

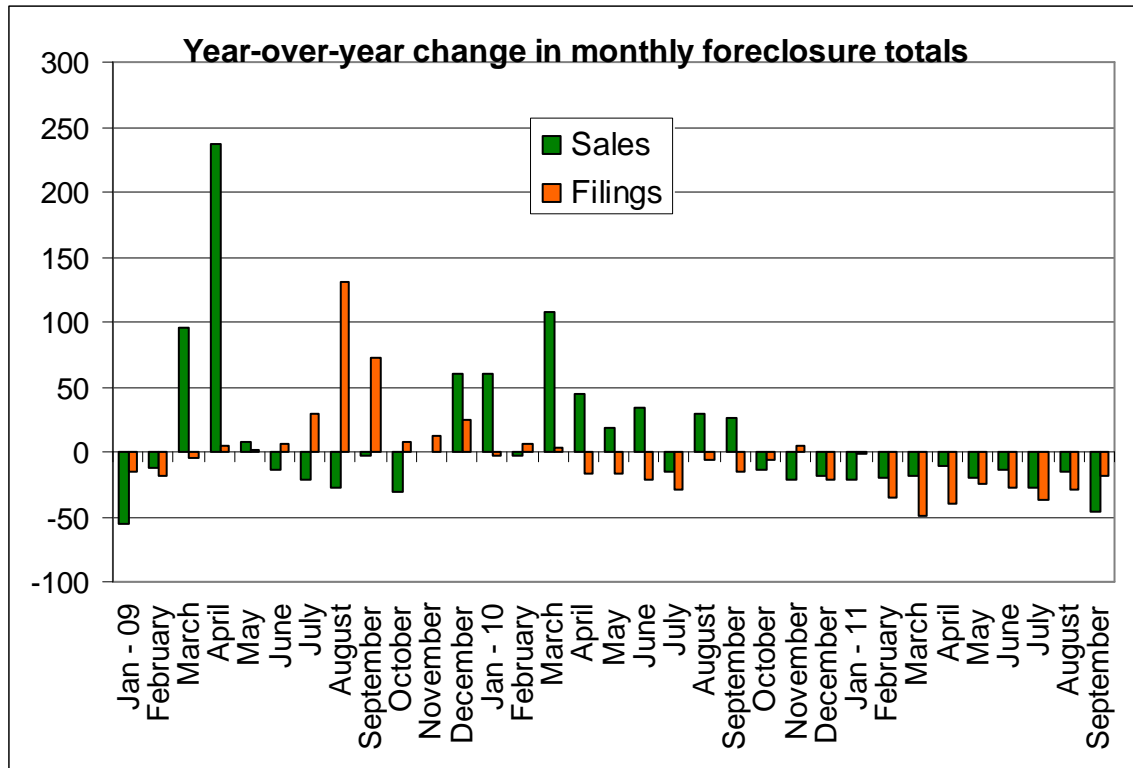
Table 7:

County	September	No. of households per completed foreclosure, 2010	September	No. of households per completed foreclosure, 2011
Adams	338	441	128	1,165
Arapahoe	327	659	167	1,290
Boulder	64	1,807	31	3,731
Broomfield	18	1,075	7	2,764
Denver	249	1,034	181	1,423
Douglas	128	747	77	1,242
El Paso	296	738	143	1,527
Jefferson	221	950	93	2,257
Larimer	100	1,116	60	1,860
Mesa	103	538	75	739
Pueblo	119	503	56	1,069
Weld	148	578	106	807
Metro total	2111	755	1124	1,418

The highest foreclosure rate was found in Mesa County, and the lowest rate was found in Boulder County.

Appendix: Additional Analysis

Graph 3:



September 2011 marks the tenth month in a row during which both foreclosure filings and sales at auctions were down when compared to the same month the previous year. Foreclosure sales showed the largest year-over-year decline in sales since January 2009.

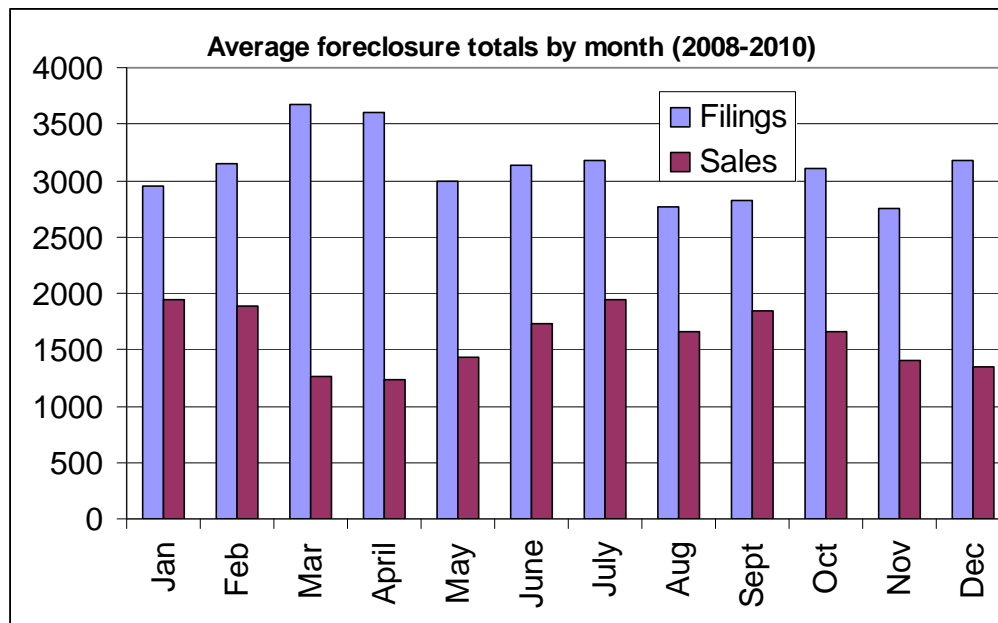
Graph 4:

Seasonal Factors:

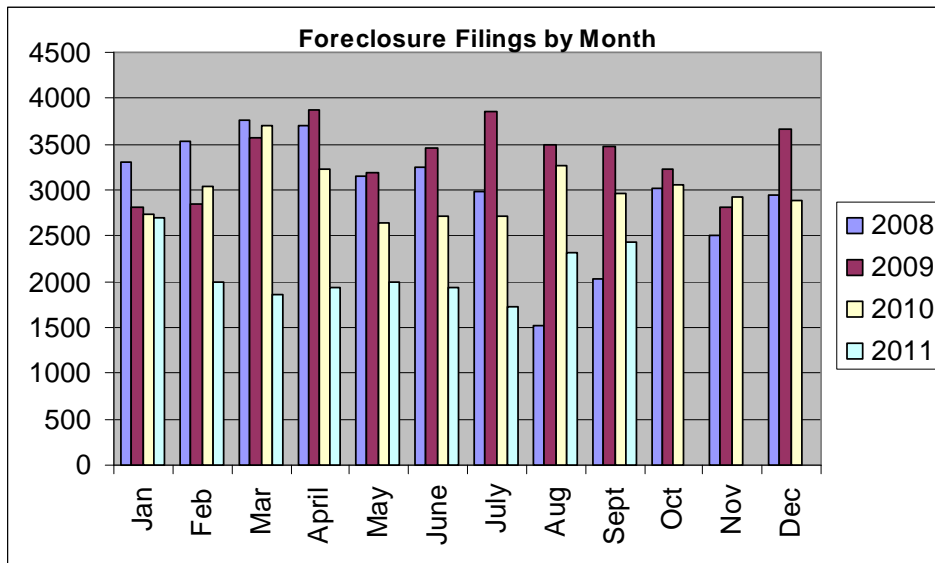
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

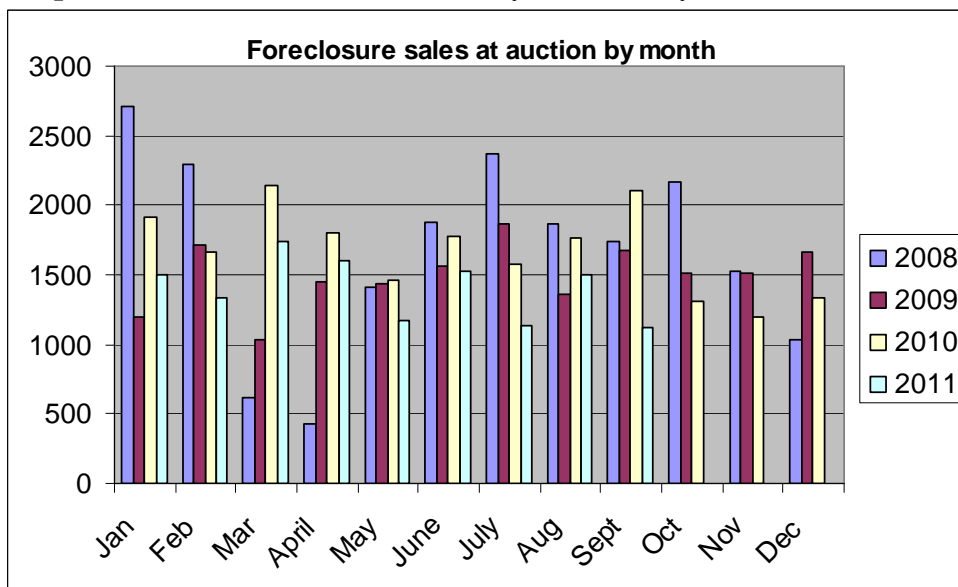


Graph 5: Foreclosure filings by month and year



In each month from January through September 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 exceptions of August and September 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. Sales totals in June and August 2011 were not substantially below averages for those months in recent years.