

Monthly Metropolitan Foreclosure Report, December 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

Foreclosure filings were down in December 2011 when compared to December 2010, and foreclosure sales at auction in December were at the second-lowest total reported since April 2008.

Comparing year-over-year from 2010 to 2011, foreclosure filings in December decreased 17.7 percent with totals falling from 2,893 to 2,382.

December 2011 foreclosure sales (completed foreclosures) were down compared to December 2010 with a decrease of 27.9 percent from 1,342 to 968.

Filings rose 3.7 percent from November to December 2011, and auction sales were down 25 percent over the same period. December's filings were at the second-highest level reported since January 2011.

In year-end, comparing 2010 to 2011, foreclosure filings were down 27.7 percent and sales at auction were down 21.2 percent.

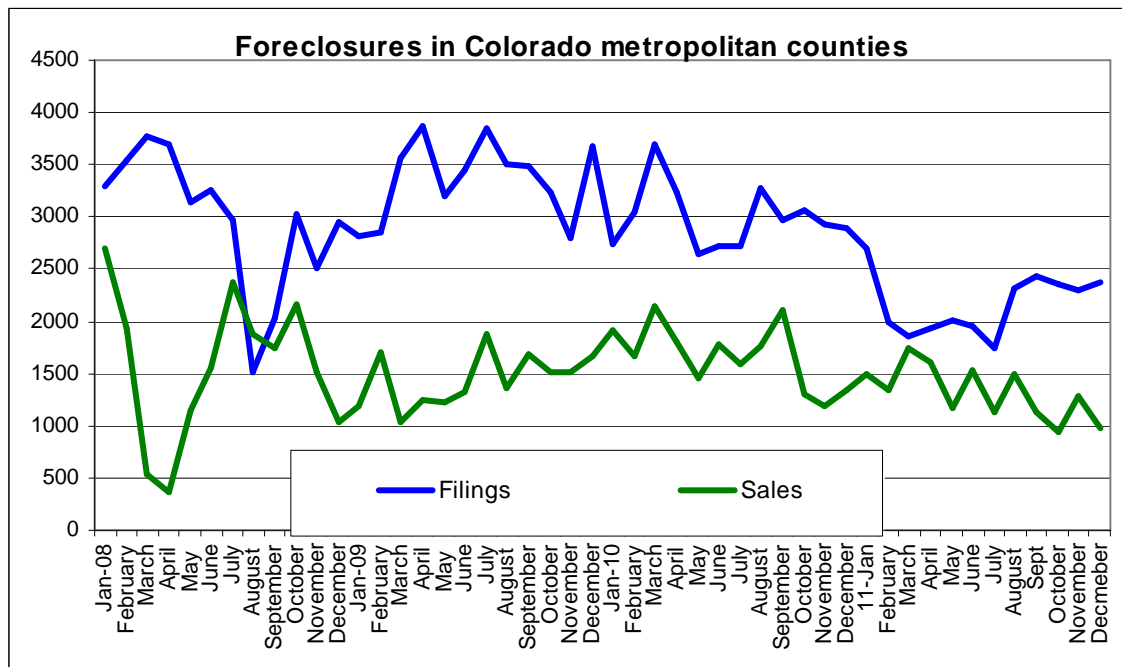
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2008- December 2011

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.

During October 2011, sales at auction were at the lowest level they've been since the artificially low totals of March and April 2008.

Graph 1:



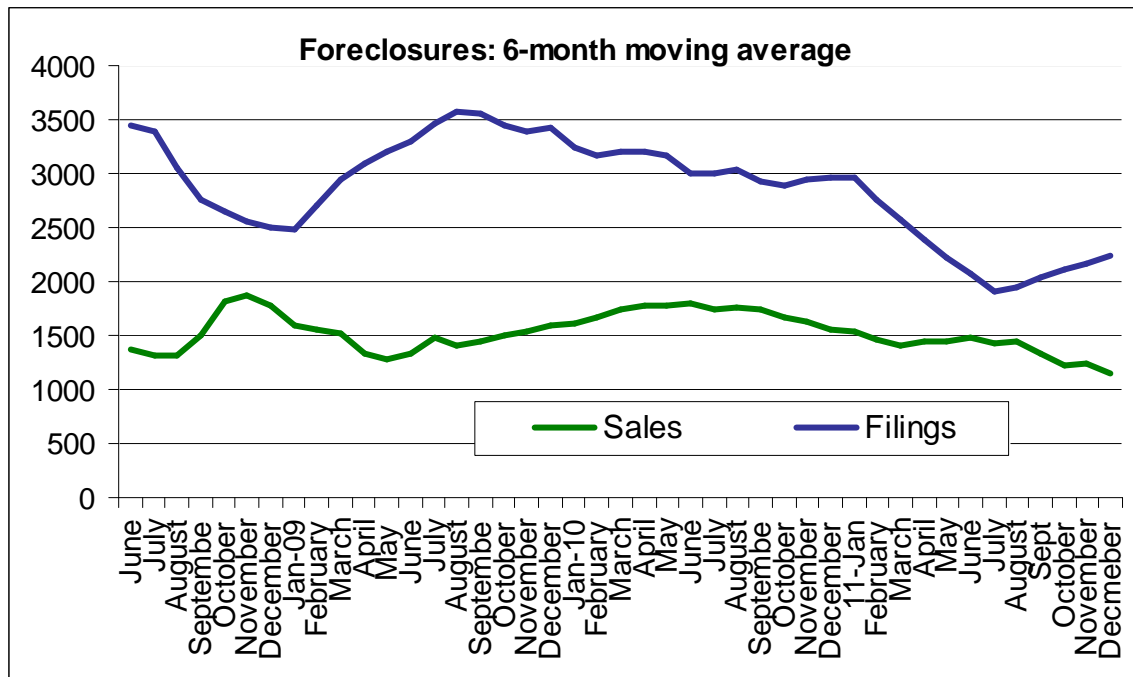
Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-December 2011.

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, but has been climbing since July 2011. Foreclosure sales activity was generally flat during the first half of 2011, but the trend has turned downward since August 2011.

Graph 2:



Comparison tables:

Month-over-month comparisons (November 2011 to December 2011):

Table 1: Foreclosure filings

County	November	December	Pct Change from previous month
Adams	299	325	8.7
Arapahoe	338	333	-1.5
Boulder	106	44	-58.5
Broomfield	12	11	-8.3
Denver	312	272	-12.8
Douglas	149	185	24.2
El Paso	289	361	24.9
Jefferson	257	280	8.9
Larimer	105	108	2.9
Mesa	101	179	77.2
Pueblo	148	122	-17.6
Weld	180	162	-10.0
	2296	2382	3.7

Table 2: Foreclosure sales

County	November	December	Pct Change from previous month
Adams	219	147	-32.9
Arapahoe	220	147	-33.2
Boulder	34	21	-38.2
Broomfield	8	15	87.5
Denver	120	153	27.5
Douglas	80	56	-30.0
El Paso	144	128	-11.1
Jefferson	148	90	-39.2
Larimer	75	48	-36.0
Mesa	70	49	-30.0
Pueblo	65	53	-18.5
Weld	107	61	-43.0
	1290	968	-25.0

Year-over-year comparisons of December foreclosure activity:

Table 3: Foreclosure filings

County	December	December	Year-over-year percent change
Adams	389	325	-16.5
Arapahoe	495	333	-32.7
Boulder	95	44	-53.7
Broomfield	19	11	-42.1
Denver	392	272	-30.6
Douglas	165	185	12.1
El Paso	432	361	-16.4
Jefferson	340	280	-17.6
Larimer	149	108	-27.5
Mesa	128	179	39.8
Pueblo	92	122	32.6
Weld	197	162	-17.8
Total	2893	2382	-17.7

Table 4: Foreclosure sales

County	December	December	Year-over-year percent change
Adams	183	147	-19.7
Arapahoe	241	147	-39.0
Boulder	50	21	-58.0
Broomfield	9	15	66.7
Denver	156	153	-1.9
Douglas	71	56	-21.1
El Paso	189	128	-32.3
Jefferson	131	90	-31.3
Larimer	70	48	-31.4
Mesa	69	49	-29.0
Pueblo	51	53	3.9
Weld	122	61	-50.0
Total	1342	968	-27.9

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

Table 5: Foreclosure filings

County	Year-end 2010	Year-end 2011	Percent Change from 2010
Adams	4891	3550	-27.4
Arapahoe	5500	3962	-28.0
Boulder	1352	965	-28.6
Broomfield	296	213	-28.0
Denver	5053	3434	-32.0
Douglas	2452	1760	-28.2
El Paso	4828	3603	-25.4
Jefferson	3849	2756	-28.4
Larimer	1824	1329	-27.1
Mesa	1672	1180	-29.4
Pueblo	1400	1267	-9.5
Weld	2758	1919	-30.4
Total	35875	25938	-27.7

Table 6: Foreclosure sales

County	Year-end 2010	Year-end 2011	Percent Change from 2010
Adams	2856	2099	-26.5
Arapahoe	3212	2531	-21.2
Boulder	616	496	-19.5
Broomfield	148	98	-33.8
Denver	2880	2217	-23.0
Douglas	1279	1027	-19.7
El Paso	2630	2060	-21.7
Jefferson	2007	1621	-19.2
Larimer	903	781	-13.5
Mesa	980	854	-12.9
Pueblo	838	768	-8.4
Weld	1721	1270	-26.2
Total	20070	15822	-21.2

Foreclosure sales (completed foreclosure) rates in each county:

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

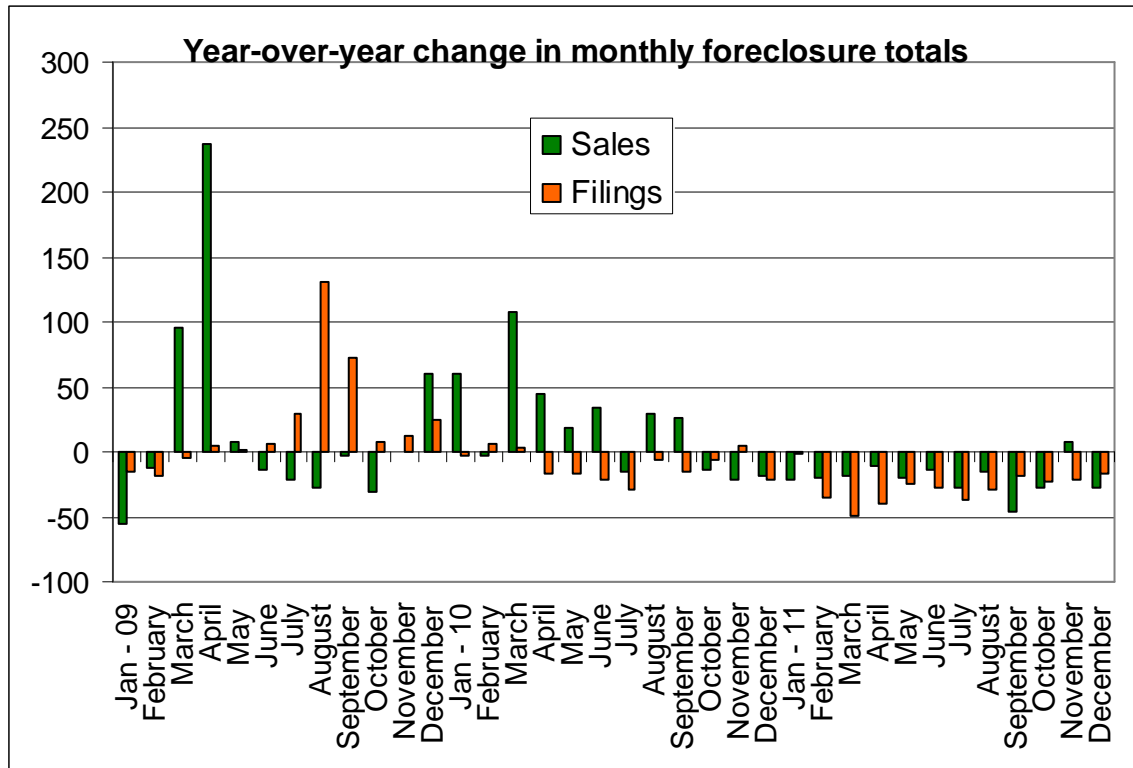
Table 7:

County	December	No. of households per completed foreclosure, 2010	December	No. of households per completed foreclosure, 2011
Adams	183	844	147	1,051
Arapahoe	241	934	147	1,532
Boulder	50	2,390	21	5,690
Broomfield	9	2,390	15	1,434
Denver	156	1,703	153	1,736
Douglas	71	1,445	56	1,832
El Paso	189	1,258	128	1,858
Jefferson	131	1,602	90	2,332
Larimer	70	1,724	48	2,515
Mesa	69	840	49	1,182
Pueblo	51	1,238	53	1,191
Weld	122	737	61	1,473
Metro total	1342	1,243	968	1,723

For December 2011, the highest foreclosure rate was found in Adams County, and the lowest rate was found in Boulder County.

Appendix: Additional Analysis

Graph 3:



December 2011 marks the thirteenth month in a row during which filings have fallen year over year, and sales at auction have been down for twelve of the last thirteen months when compared to the same month the previous year.

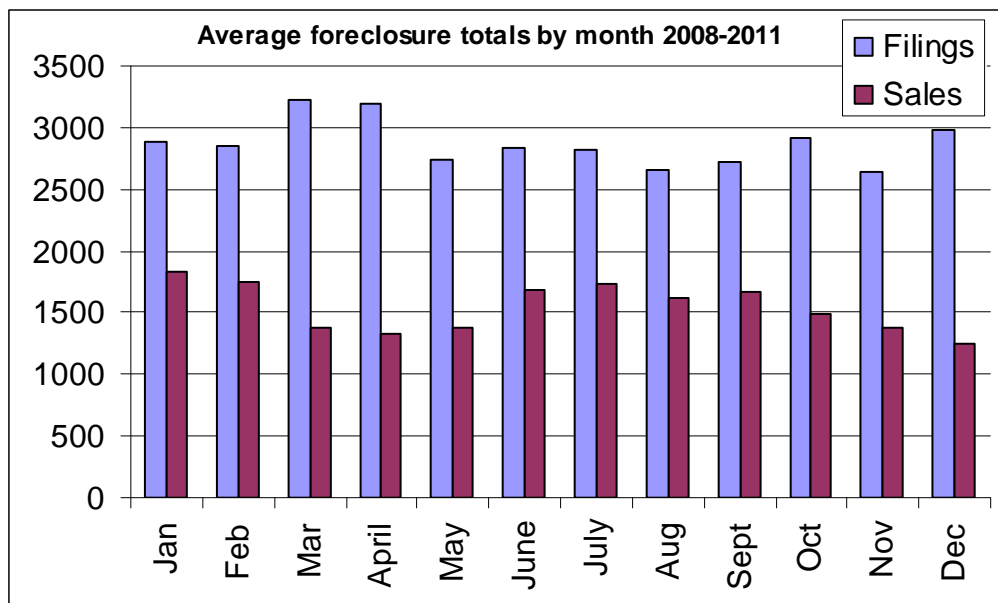
Graph 4:

Appendix: Seasonal Factors

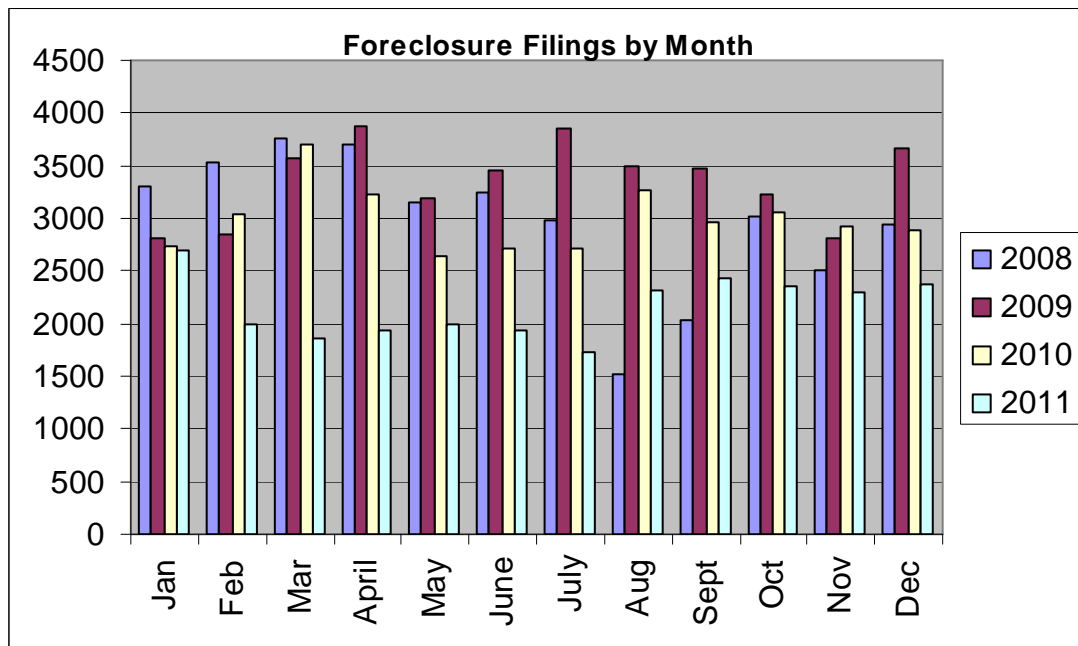
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

Although we only have four years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April, with December also showing a high average.

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 December of this year, there have been fewer new foreclosure filings that 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. November's and December's filings total were the lowest October and November totals reported in at least four years.

Graph 6: Foreclosure sales at auction by month and year

Foreclosure filings also moved down during 2011, during October 2011, the auction sales total fell below 1,000 for the first time since April 2008. December 2011's sales total also came in below 1,000.

