

# **Monthly Metropolitan Foreclosure Report, January 2012**

## **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 auction sales were at the lowest levels reported during January in five years. (See Graphs 5 and 6.)

Foreclosure filings were down in January 2012 when compared to January 2011. Comparing year-over-year from 2011 to 2012, foreclosure filings in January decreased 28.2 percent with totals falling from 2,699 to 1,939.

January 2012 foreclosure sales (completed foreclosures) were down compared to January 2011 with a decrease of 23.3 percent from 1,499 to 1,150.

Filings fell 18.6 percent from December 2011 to January 2012, and auction sales were up 18.8 percent over the same period. January's filings were at the lowest filings level reported since July 2011.

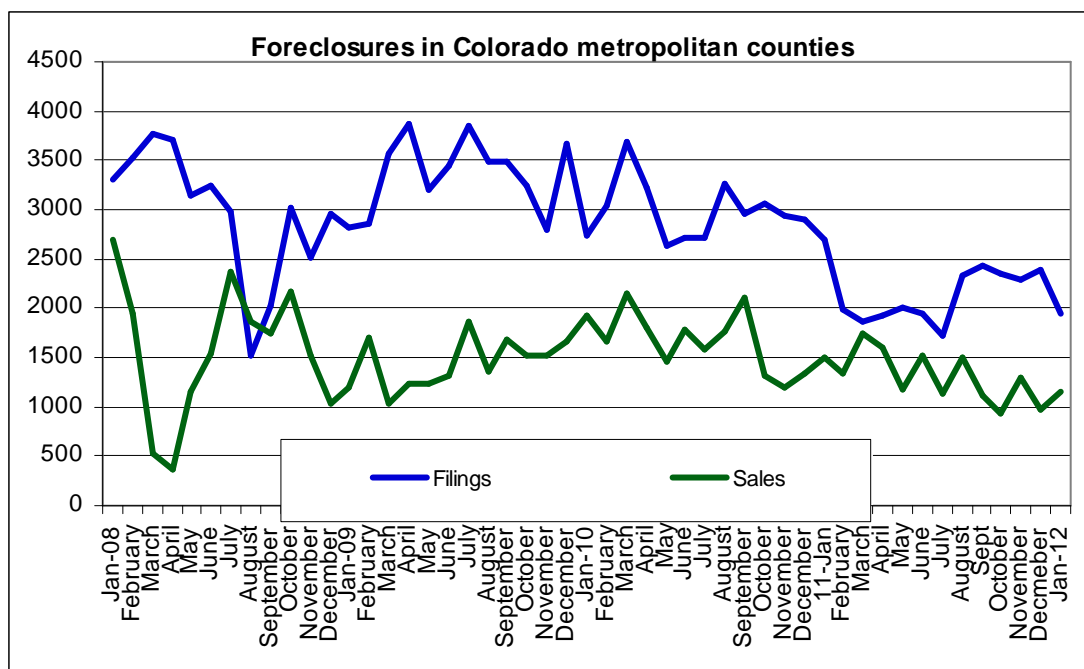
## Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2008- January 2012.

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.

During 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:**



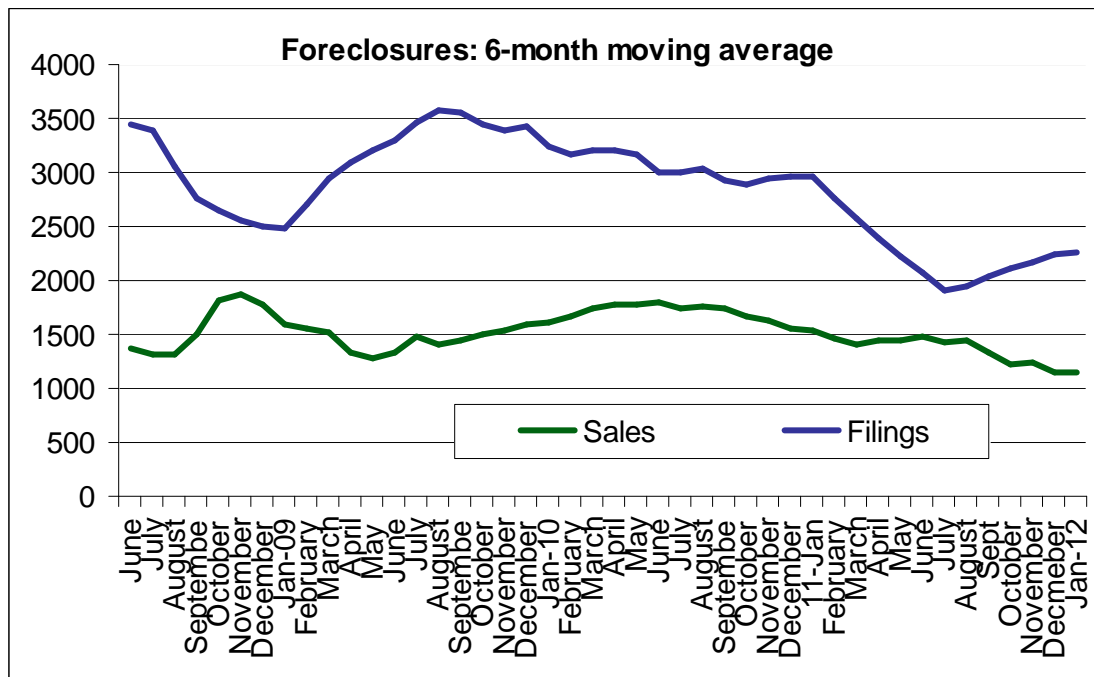
**Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-January 2012.**

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 have been down significantly since late 2010.

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 (December 2011 to January 2012):

**Table 1: Foreclosure filings**

County	December	January	Pct Change from previous month
Adams	325	268	-17.5
Arapahoe	333	296	-11.1
Boulder	44	57	29.5
Broomfield	11	15	36.4
Denver	272	269	-1.1
Douglas	185	132	-28.6
El Paso	361	285	-21.1
Jefferson	280	191	-31.8
Larimer	108	100	-7.4
Mesa	179	93	-48.0
Pueblo	122	102	-16.4
Weld	162	131	-19.1
Total	<b>2382</b>	<b>1939</b>	<b>-18.6</b>

**Table 2: Foreclosure sales**

County	December	January	Pct Change from previous month
Adams	147	163	10.9
Arapahoe	147	158	7.5
Boulder	21	33	57.1
Broomfield	15	10	-33.3
Denver	153	153	0.0
Douglas	56	64	14.3
El Paso	128	148	15.6
Jefferson	90	129	43.3
Larimer	48	60	25.0
Mesa	49	77	57.1
Pueblo	53	61	15.1
Weld	61	94	54.1
Total	<b>968</b>	<b>1150</b>	<b>18.8</b>

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

**Table 3: Foreclosure filings**

County	Jan-11	Jan-12	Year-over-year percent change
Adams	370	268	-27.6
Arapahoe	418	296	-29.2
Boulder	75	57	-24.0
Broomfield	25	15	-40.0
Denver	358	269	-24.9
Douglas	238	132	-44.5
El Paso	411	285	-30.7
Jefferson	250	191	-23.6
Larimer	120	100	-16.7
Mesa	118	93	-21.2
Pueblo	126	102	-19.0
Weld	190	131	-31.1
<b>Total</b>	<b>2699</b>	<b>1939</b>	<b>-28.2</b>

**Table 4: Foreclosure sales**

County	Jan-11	Jan-12	Year-over-year percent change
Adams	204	163	-20.1
Arapahoe	235	158	-32.8
Boulder	52	33	-36.5
Broomfield	3	10	233.3
Denver	186	153	-17.7
Douglas	127	64	-49.6
El Paso	186	148	-20.4
Jefferson	155	129	-16.8
Larimer	80	60	-25.0
Mesa	79	77	-2.5
Pueblo	68	61	-10.3
Weld	124	94	-24.2
<b>Total</b>	<b>1499</b>	<b>1150</b>	<b>-23.3</b>

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

January 2012 rates, on the right, are compared with 2011 rates on the left.

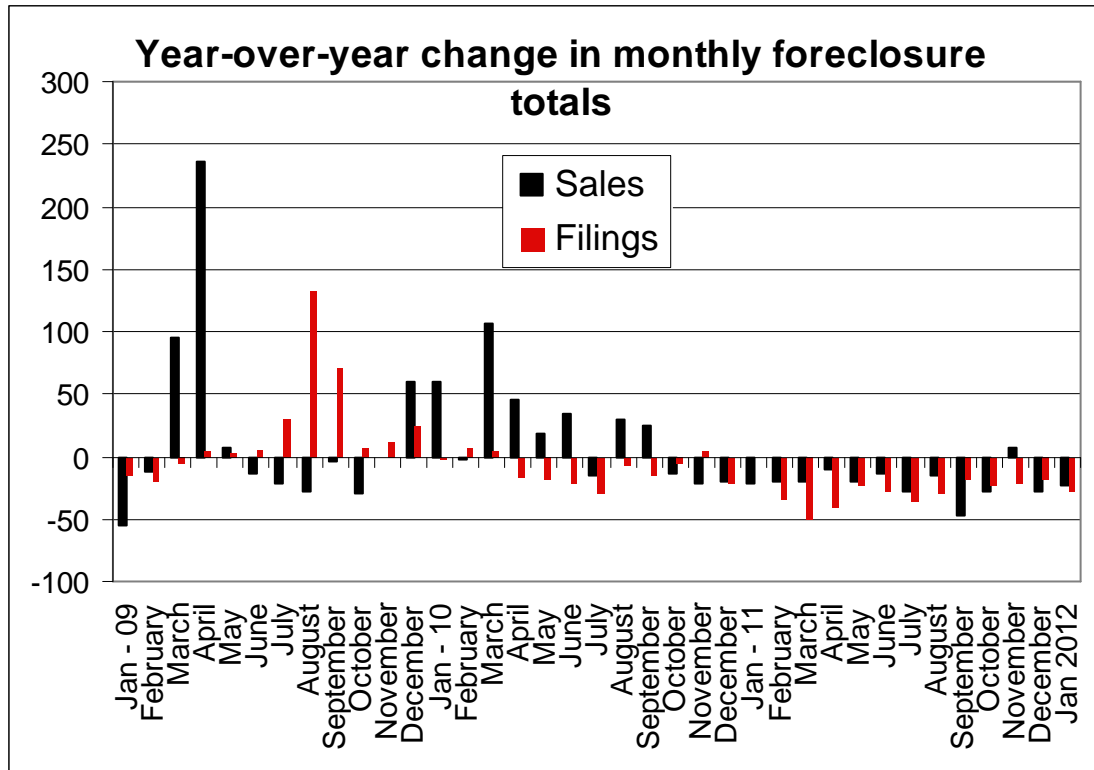
**Table 7:**

County	January 2011	No. of households per completed foreclosure, 2010	January 2012	No. of households per completed foreclosure, 2011
Adams	204	757	163	948
Arapahoe	235	958	158	1,425
Boulder	52	2,298	33	3,621
Broomfield	3	7,170	10	2,151
Denver	186	1,428	153	1,736
Douglas	127	808	64	1,603
El Paso	186	1,279	148	1,607
Jefferson	155	1,354	129	1,627
Larimer	80	1,509	60	2,012
Mesa	79	733	77	752
Pueblo	68	928	61	1,035
Weld	124	725	94	956
Metro total	<b>1499</b>	1,113	<b>1150</b>	1,451

For January 2012, the highest foreclosure rate was found in Mesa County, and the lowest rate was found in Boulder County.

## Appendix: Additional Analysis

Graph 3:



January 2012 marks the fourteenth month in a row during which filings have fallen year over year, and sales at auction have been down for thirteen of the last fourteen months when compared year over year.

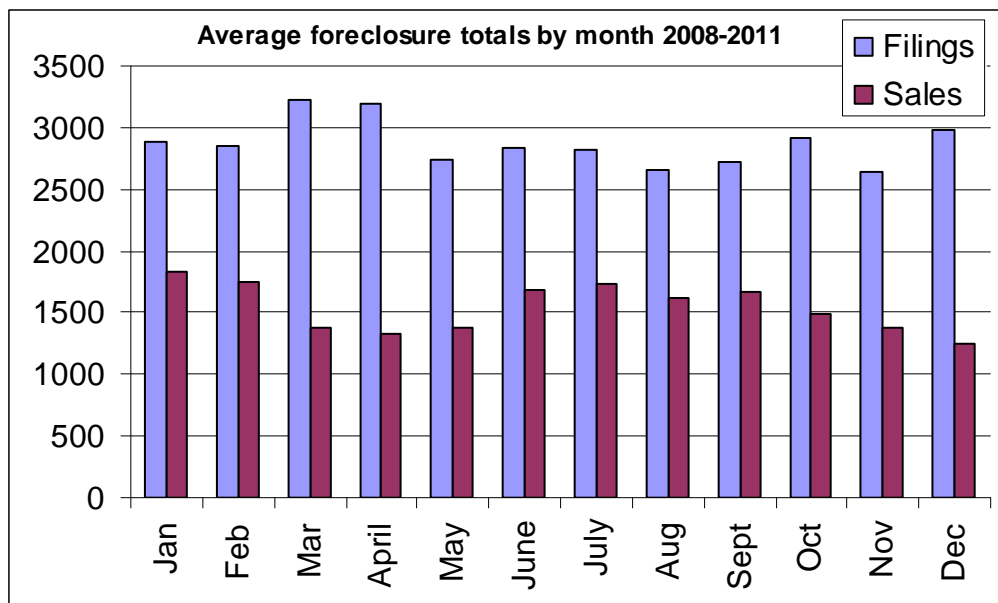
#### Graph 4:

##### 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.

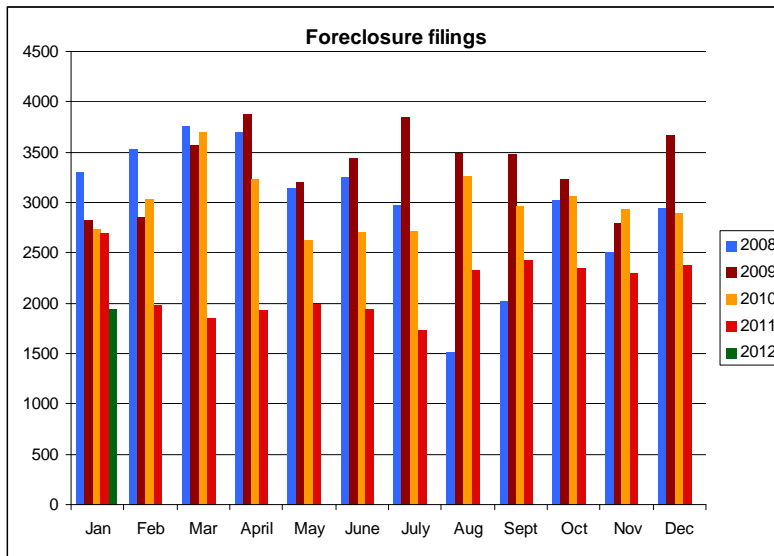
Although we only have four years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April, with December also showing a high average.

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**



During 2011, there were fewer new foreclosure filings than during the same months of 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. January 2012's filings total is at a five-year low for January.

**Graph 6: Foreclosure sales at auction by month and year**

The auction sales total during January 2012 was at a five-year low. 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.

