

Monthly Metropolitan Foreclosure Report, February 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

Foreclosure auction sales were at the lowest levels reported during February in five years, while foreclosure filings were near a five-year low, but up slightly from 2011's February total. (See Graphs 5 and 6.)

Foreclosure filings were up in February 2012 when compared to February 2011. Comparing year-over-year from 2011 to 2012, foreclosure filings in February rose 3.5 percent with totals rising from 1,986 to 2,056.

February 2012 foreclosure sales (completed foreclosures) were down compared to February 2012 with a decrease of 6.7 percent from 1,338 to 1,248.

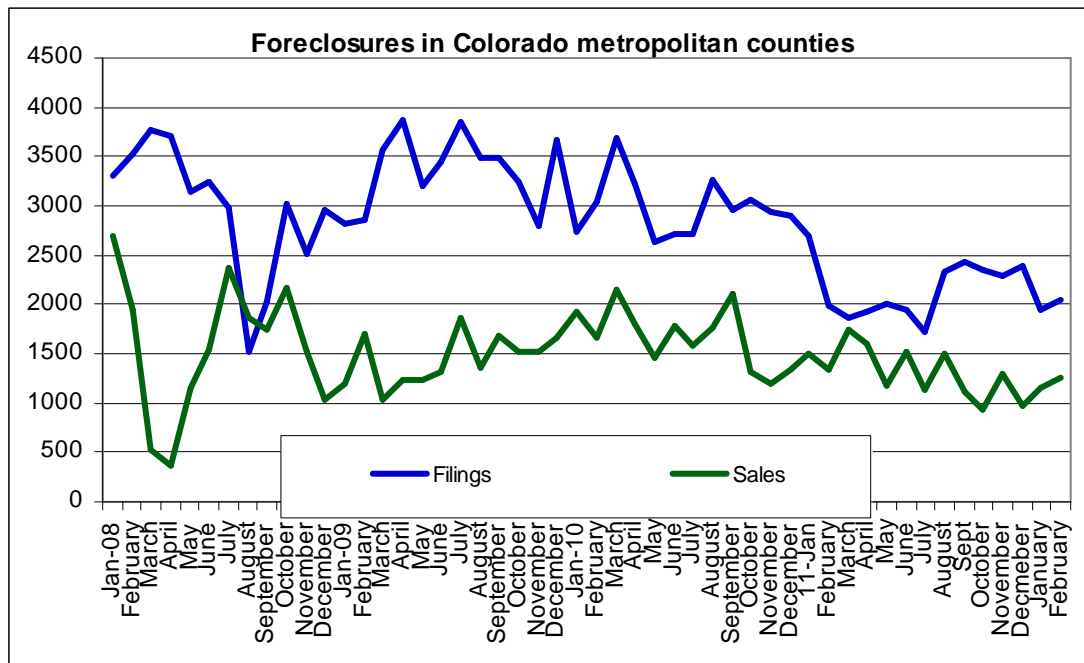
Filings rose 6.0 percent from January 2012 to February 2012, and auction sales were up 8.5 percent over the same period.

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

Graph 1:



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

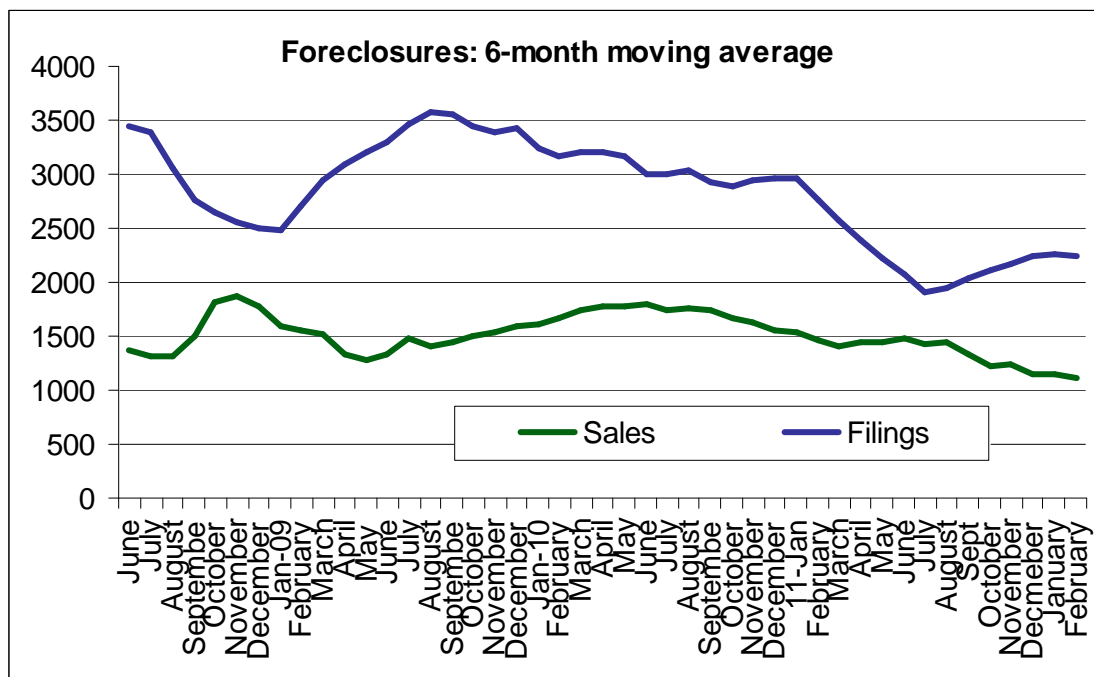
An analysis of a six-month moving average for both filings and sales at auction:

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 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.

There appears to be a six to nine-month delay between trends in filings and sales. For example, the large decline in filings that began in mid-2009 shows up as a decline in sales that begins during the spring of 2010. This likely reflects a time lag between the initiation of foreclosures and the completion of foreclosures.

Graph 2:



Comparison tables:

Month-over-month comparisons (January 2012 to February 2012):

Table 1: Foreclosure filings

County	January	February	Pct Change from previous month
Adams	268	284	6.0
Arapahoe	296	319	7.8
Boulder	57	62	8.8
Broomfield	15	18	20.0
Denver	269	265	-1.5
Douglas	132	133	0.8
El Paso	285	301	5.6
Jefferson	191	247	29.3
Larimer	100	116	16.0
Mesa	93	107	15.1
Pueblo	102	95	-6.9
Weld	131	109	-16.8
Total	1939	2056	6.0

Table 2: Foreclosure sales

County	January	February	Pct Change from previous month
Adams	163	180	10.4
Arapahoe	158	205	29.7
Boulder	33	44	33.3
Broomfield	10	10	0.0
Denver	153	128	-16.3
Douglas	64	75	17.2
El Paso	148	164	10.8
Jefferson	129	137	6.2
Larimer	60	61	1.7
Mesa	77	82	6.5
Pueblo	61	73	19.7
Weld	94	89	-5.3
Total	1150	1248	8.5

Year-over-year comparisons of February foreclosure activity:

Table 3: Foreclosure filings

County	Feb-11	Feb-12	Year-over-year percent change
Adams	313	284	-9.3
Arapahoe	302	319	5.6
Boulder	81	62	-23.5
Broomfield	24	18	-25.0
Denver	230	265	15.2
Douglas	115	133	15.7
El Paso	288	301	4.5
Jefferson	232	247	6.5
Larimer	103	116	12.6
Mesa	81	107	32.1
Pueblo	85	95	11.8
Weld	132	109	-17.4
Total	1986	2056	3.5

Table 4: Foreclosure sales

County	Feb-11	Feb-12	Year-over-year percent change
Adams	151	180	19.2
Arapahoe	211	205	-2.8
Boulder	40	44	10.0
Broomfield	12	10	-16.7
Denver	270	128	-52.6
Douglas	74	75	1.4
El Paso	142	164	15.5
Jefferson	125	137	9.6
Larimer	64	61	-4.7
Mesa	69	82	18.8
Pueblo	71	73	2.8
Weld	109	89	-18.3
	1338	1248	-6.7

Year-to-date (January-February) Foreclosure Totals

Table 5: Foreclosure Filings

County	Jan-Feb 2011	Jan-Feb 2012	Percent Change from 2010
Adams	683	552	-19.2
Arapahoe	720	615	-14.6
Boulder	156	119	-23.7
Broomfield	49	33	-32.7
Denver	588	534	-9.2
Douglas	353	265	-24.9
El Paso	699	586	-16.2
Jefferson	482	438	-9.1
Larimer	223	216	-3.1
Mesa	199	200	0.5
Pueblo	211	197	-6.6
Weld	322	240	-25.5
Total	4685	3995	-14.7

Table 6: Foreclosure Sales

County	Jan-Feb 2011	Jan-Feb 2012	Percent Change from 2010
Adams	355	343	-3.4
Arapahoe	446	363	-18.6
Boulder	92	77	-16.3
Broomfield	15	20	33.3
Denver	456	281	-38.4
Douglas	201	139	-30.8
El Paso	328	312	-4.9
Jefferson	280	266	-5.0
Larimer	144	121	-16.0
Mesa	148	159	7.4
Pueblo	139	134	-3.6
Weld	233	183	-21.5
Total	2837	2398	-15.5

Foreclosure sales (completed foreclosure) rates in each county:

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

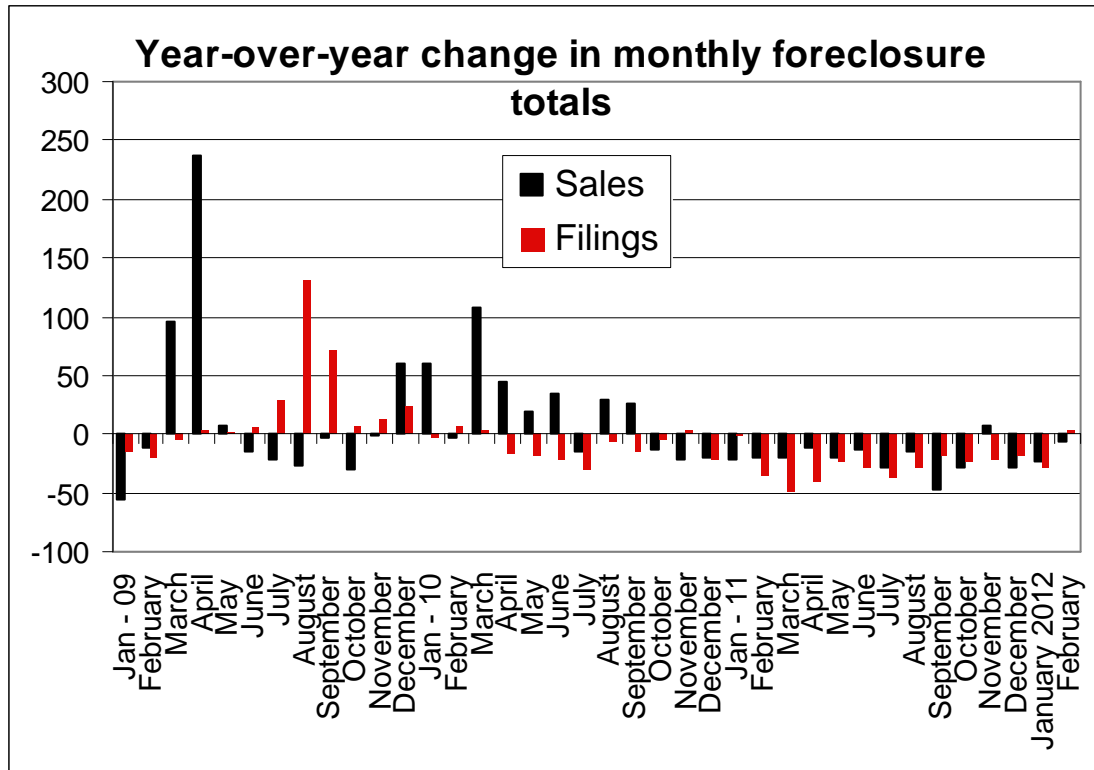
Table 7:

County	Feb-11	No. of households per completed foreclosure, 2011	Feb-12	No. of households per completed foreclosure, 2012
Adams	151	1,023	180	858
Arapahoe	211	1,067	205	1,099
Boulder	40	2,987	44	2,716
Broomfield	12	1,792	10	2,151
Denver	270	984	128	2,075
Douglas	74	1,386	75	1,368
El Paso	142	1,675	164	1,450
Jefferson	125	1,679	137	1,532
Larimer	64	1,886	61	1,979
Mesa	69	840	82	706
Pueblo	71	889	73	865
Weld	109	824	89	1,010
Metro total	1338	1,247	1248	1,337

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

Appendix: Additional Analysis

Graph 3:



February 2012 marks the first increase in filings following fourteen months of declines, and sales at auction have been down for sixteen of the last seventeen months when compared year over year.

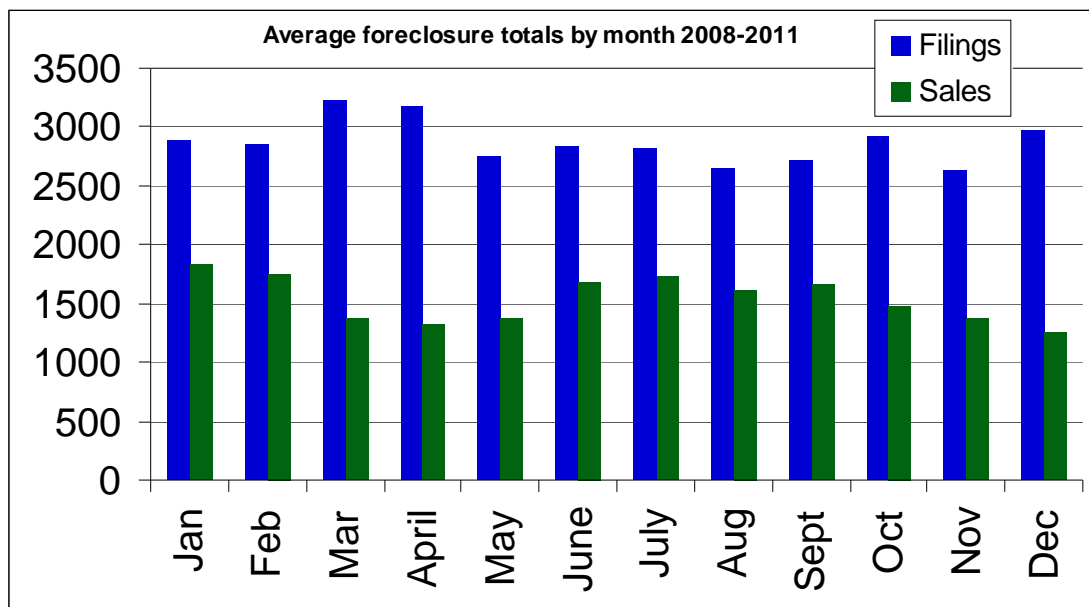
Graph 4:

Appendix: Seasonal Factors

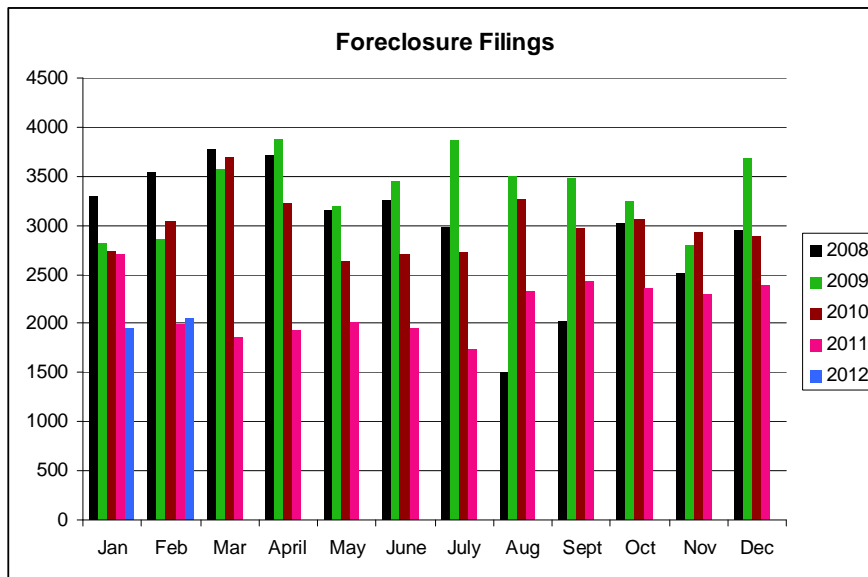
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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



Foreclosure filings activity is clearly below typical filings activity levels reported in recent years. February 2012's filings total is near a five-year low for February, but was slightly above February 2011's total.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during February 2012 was at a five-year low. Foreclosure sales generally declined during the second half of 2011 and remain low in early 2012.

