

Monthly Metropolitan Foreclosure Report, June 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 June in six years, while foreclosure filings during June 2012 were up from 2011's June total. (See Graphs 5 and 6.)

Comparing year-over-year from 2011 to 2012, foreclosure filings in June rose 13.6 percent with totals rising from 2,045 to 2,324.

June 2012 foreclosure sales (completed foreclosures) were down compared to June 2011 with a decrease of 35.6 percent from 1,527 to 983.

During the first six months of the year (Jan-June), foreclosure filings were up 3.6 percent from 12,523 to 12,978 from 2011 to 2012. During the same period, foreclosure auction sales were down 28.6 percent from 8,871 to 6,335.

Filings rose 2.9 percent from May 2012 to June 2012, and auction sales were up 1.9 percent over the same period.

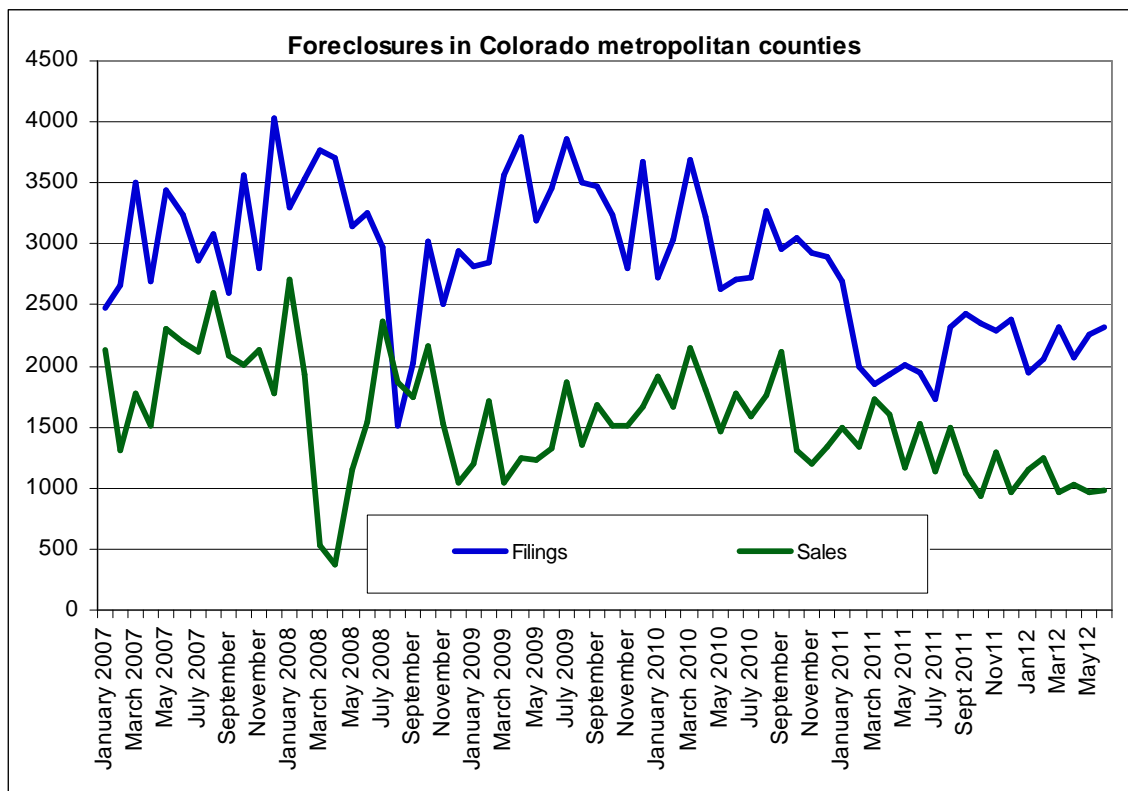
Mesa County reported the highest foreclosure rate during June, while Boulder County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- June 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 pushed down totals in completed foreclosures during that period. The 2009 moratoria were followed by an administrative slowdown in foreclosure processing that was initiated in late 2010 in response to the “robosigning” controversy. This further pushed down filings totals. Foreclosure sales are now near an all-time low.

Graph 1:



Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2007-June 2012.

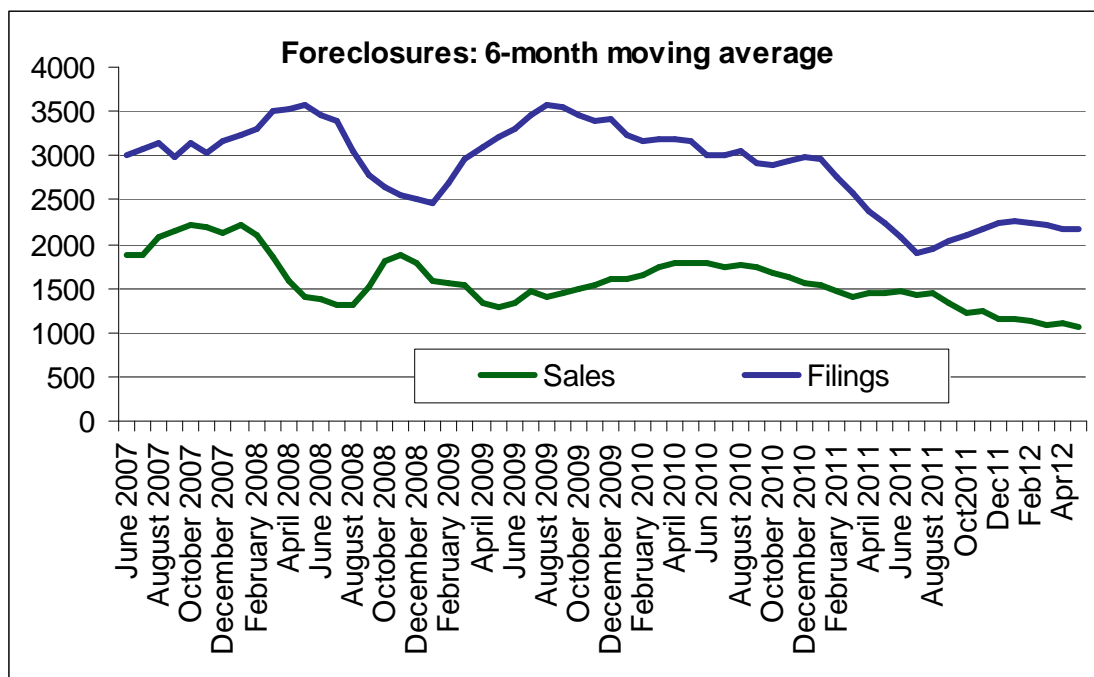
An analysis of a six-month moving average for both filings and sales at auction:

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 (May 2012 to June 2012):

Table 1: Foreclosure filings

County	May	June	Pct Change from previous month
Adams	274	286	4.4
Arapahoe	324	373	15.1
Boulder	74	75	1.4
Broomfield	24	24	0.0
Denver	344	300	-12.8
Douglas	167	163	-2.4
El Paso	278	340	22.3
Jefferson	304	223	-26.6
Larimer	110	110	0.0
Mesa	106	140	32.1
Pueblo	115	99	-13.9
Weld	139	191	37.4
Total	2259	2324	2.9

Table 2: Foreclosure sales

County	May	June	Pct Change from previous month
Adams	141	135	-4.3
Arapahoe	167	150	-10.2
Boulder	19	28	47.4
Broomfield	6	6	0.0
Denver	95	112	17.9
Douglas	60	54	-10.0
El Paso	145	137	-5.5
Jefferson	98	117	19.4
Larimer	37	38	2.7
Mesa	68	67	-1.5
Pueblo	63	60	-4.8
Weld	66	79	19.7
Total	965	983	1.9

Year-over-year comparisons of June foreclosure activity:

Table 3: Foreclosure filings

County	June	June	Year-over-year percent change
Adams	305	286	-6.2
Arapahoe	336	373	11.0
Boulder	73	75	2.7
Broomfield	13	24	84.6
Denver	279	300	7.5
Douglas	114	163	43.0
El Paso	242	340	40.5
Jefferson	237	223	-5.9
Larimer	145	110	-24.1
Mesa	73	140	91.8
Pueblo	94	99	5.3
Weld	134	191	42.5
Total	2045	2324	13.6

Table 4: Foreclosure sales

County	June	June	Year-over-year percent change
Adams	211	135	-36.0
Arapahoe	261	150	-42.5
Boulder	44	28	-36.4
Broomfield	9	6	-33.3
Denver	193	112	-42.0
Douglas	77	54	-29.9
El Paso	239	137	-42.7
Jefferson	158	117	-25.9
Larimer	77	38	-50.6
Mesa	60	67	11.7
Pueblo	71	60	-15.5
Weld	127	79	-37.8
	1527	983	-35.6

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

Table 5: Foreclosure Filings

County	Jan-June 2011	Jan-June 2012	Percent Change from 2011
Adams	1690	1715	1.5
Arapahoe	1963	2026	3.2
Boulder	495	428	-13.5
Broomfield	109	123	12.8
Denver	1656	1743	5.3
Douglas	817	884	8.2
El Paso	1743	1777	2.0
Jefferson	1334	1469	10.1
Larimer	650	621	-4.5
Mesa	524	686	30.9
Pueblo	581	619	6.5
Weld	961	887	-7.7
Total	12523	12978	3.6

Table 6: Foreclosure Sales

County	Jan-June 2011	Jan-June 2012	Percent Change from 2011
Adams	1192	921	-22.7
Arapahoe	1399	931	-33.5
Boulder	292	182	-37.7
Broomfield	39	47	20.5
Denver	1287	773	-39.9
Douglas	578	360	-37.7
El Paso	1156	877	-24.1
Jefferson	908	681	-25.0
Larimer	419	280	-33.2
Mesa	467	421	-9.9
Pueblo	408	386	-5.4
Weld	726	476	-34.4
Total	8871	6335	-28.6

Foreclosure sales (completed foreclosure) rates in each county:

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

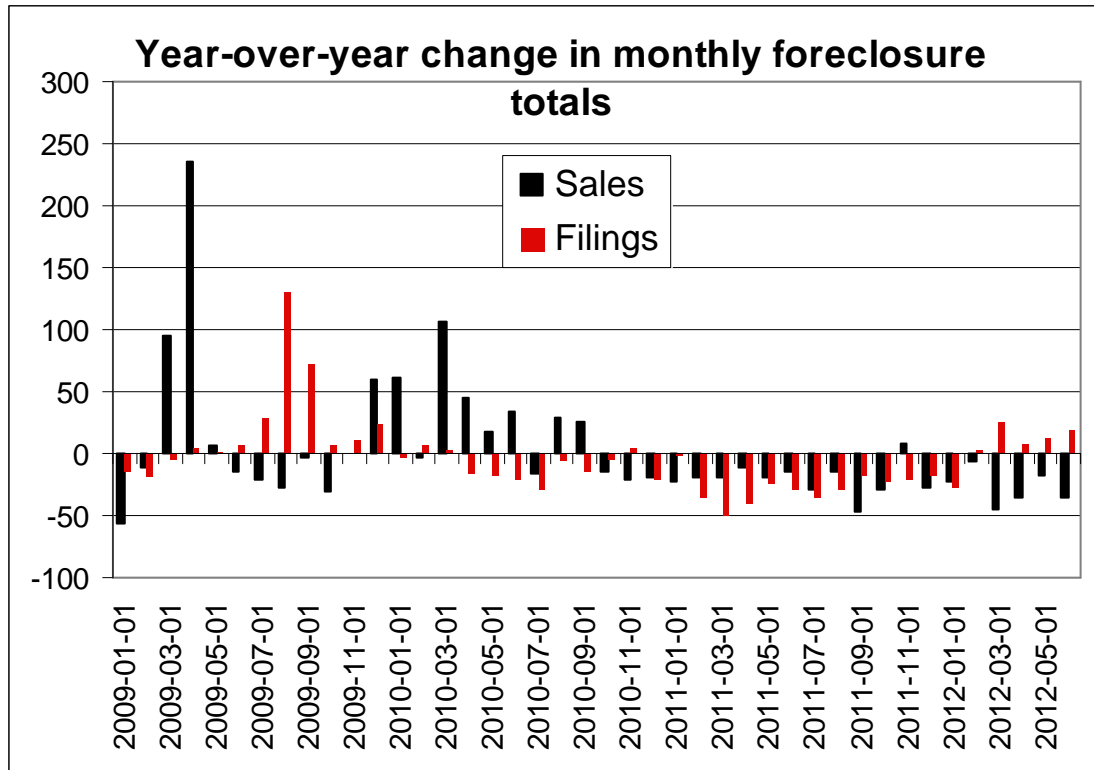
Table 7:

County	Jun-11	No. of households per completed foreclosure, 2011	Jun-12	No. of households per completed foreclosure, 2012
Adams	211	732	135	1,144
Arapahoe	261	863	150	1,501
Boulder	44	2,716	28	4,268
Broomfield	9	2,390	6	3,585
Denver	193	1,376	112	2,372
Douglas	77	1,332	54	1,899
El Paso	239	995	137	1,736
Jefferson	158	1,328	117	1,794
Larimer	77	1,568	38	3,177
Mesa	60	966	67	865
Pueblo	71	889	60	1,052
Weld	127	708	79	1,138
Metro total	1527	1,092	983	1,697

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

Appendix: Additional Analysis

Graph 3:



June 2012 marks the fifth year-over-year filings increase in a row following fourteen months of declines, and sales at auction have been down for twenty of the last twenty-one months when compared year over year.

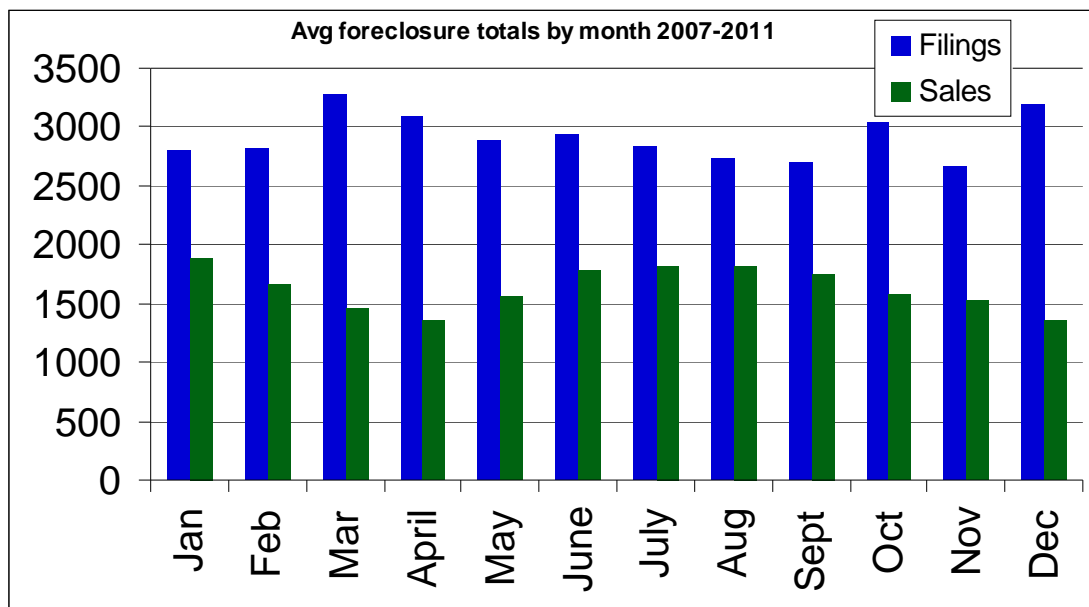
Graph 4:

Appendix: Seasonal Factors

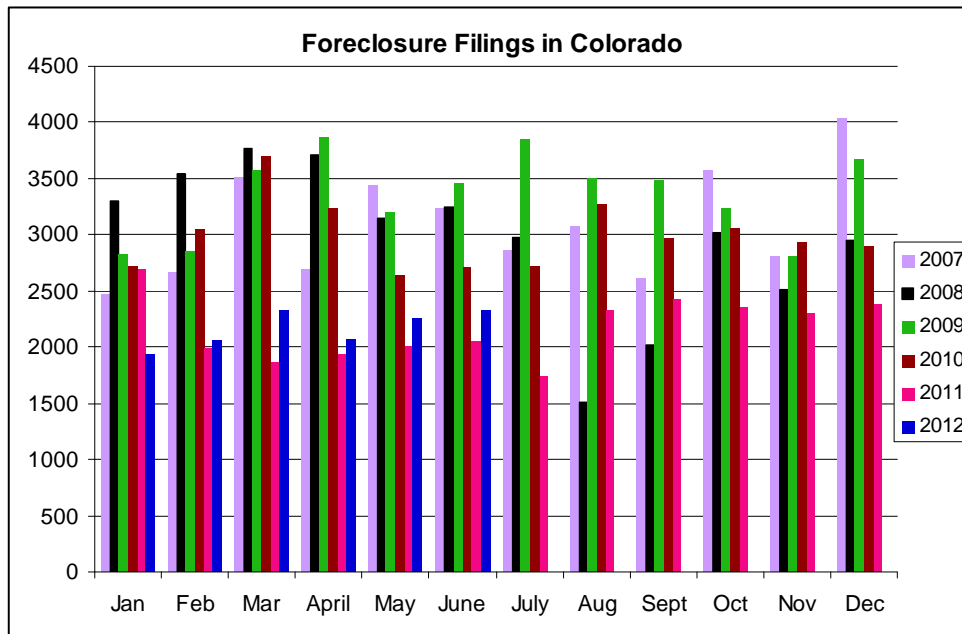
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

Although we only have five 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 in June is clearly below typical filings activity levels reported in recent years, although totals, as expected, are up from 2011.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during June 2012 was at a six-year low for June. Foreclosure sales generally declined during the second half of 2011 and continued to decline into 2012.

