

# **Monthly Metropolitan Foreclosure Report, September 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 down year over year to the lowest levels reported during September in six years, while foreclosure filings during September 2012 were also down year over year.

Comparing year-over-year from 2011 to 2012, foreclosure filings in September fell 34.7 percent with totals falling from 2,429 to 1,585.

September 2012 foreclosure sales (completed foreclosures) were down compared to September 2011 with a decrease of 4.5 percent from 1,124 to 1,073.

During the first nine months of the year (Jan-September), foreclosure filings were down 1.0 percent from 19,010 to 18,826 from 2011 to 2012. During the same period, foreclosure auction sales were down 23.9 percent from 12,626 to 9,614.

Filings fell 30.7 percent from August 2012 to September 2012, and auction sales were down 20 percent over the same period.

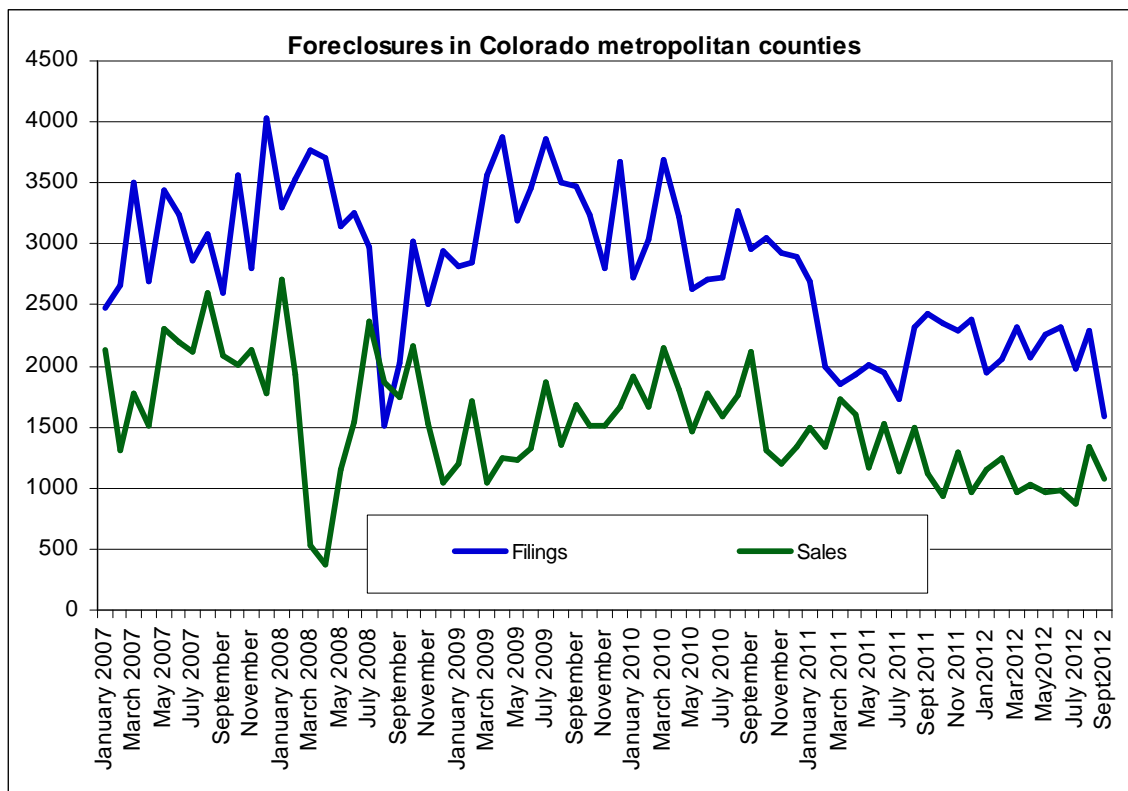
Mesa County reported the highest foreclosure rate during September, while Boulder County reported the lowest rate. (See Table 7.)

## Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- September 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. Excluding the period following the timeline change, foreclosure sales are now near the lowest point recorded in six years.

**Graph 1:**



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

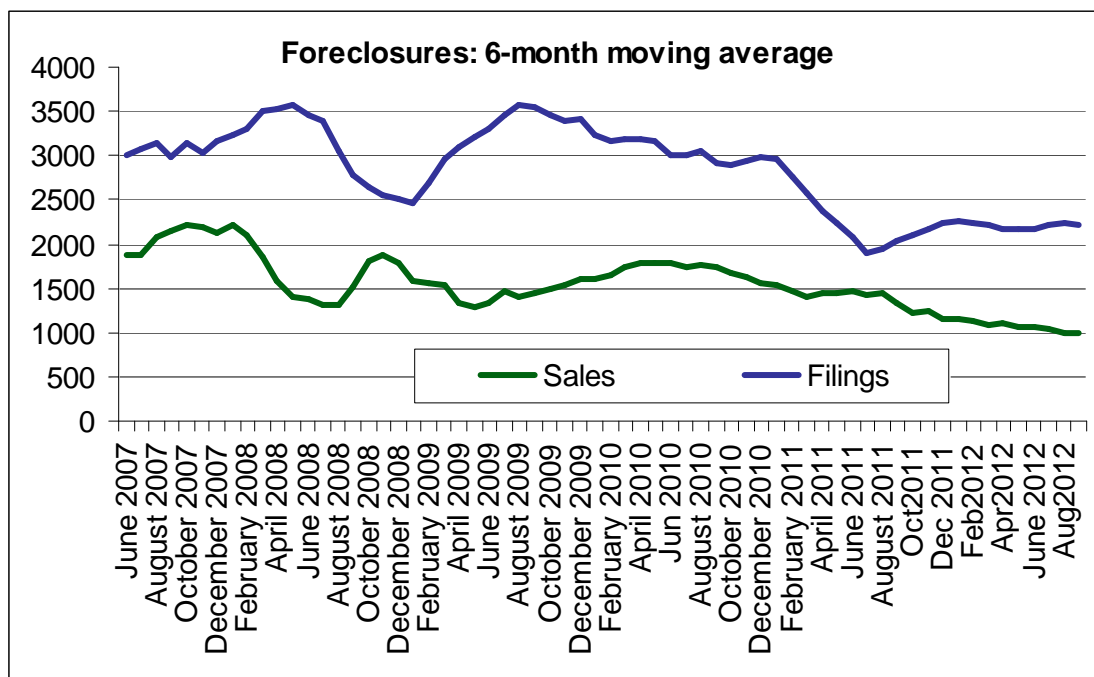
An analysis of a six-month moving average for both filings and sales at auction:

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 generally flat since late 2011. Foreclosure sales activity has been falling since late 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 (August 2012 to September 2012):

**Table 1: Foreclosure filings**

County	August	September	Pct Change from previous month
Adams	319	223	-30.1
Arapahoe	325	258	-20.6
Boulder	78	59	-24.4
Broomfield	22	13	-40.9
Denver	268	215	-19.8
Douglas	155	83	-46.5
El Paso	339	258	-23.9
Jefferson	303	154	-49.2
Larimer	105	59	-43.8
Mesa	133	79	-40.6
Pueblo	90	82	-8.9
Weld	150	102	-32.0
Total	<b>2287</b>	<b>1585</b>	<b>-30.7</b>

**Table 2: Foreclosure sales**

County	August	September	Pct Change from previous month
Adams	192	145	-24.5
Arapahoe	207	149	-28.0
Boulder	50	27	-46.0
Broomfield	11	5	-54.5
Denver	127	152	19.7
Douglas	52	60	15.4
El Paso	198	148	-25.3
Jefferson	134	112	-16.4
Larimer	69	48	-30.4
Mesa	77	90	16.9
Pueblo	110	67	-39.1
Weld	114	70	-38.6
Total	<b>1341</b>	<b>1073</b>	<b>-20.0</b>

## Year-over-year comparisons of September foreclosure activity:

**Table 3: Foreclosure filings**

County	September	September	Year-over-year percent change
Adams	352	223	-36.6
Arapahoe	356	258	-27.5
Boulder	94	59	-37.2
Broomfield	20	13	-35.0
Denver	313	215	-31.3
Douglas	178	83	-53.4
El Paso	300	258	-14.0
Jefferson	321	154	-52.0
Larimer	147	59	-59.9
Mesa	115	79	-31.3
Pueblo	85	82	-3.5
Weld	148	102	-31.1
<b>Total</b>	<b>2429</b>	<b>1585</b>	<b>-34.7</b>

**Table 4: Foreclosure sales**

County	September	September	Year-over-year percent change
Adams	128	145	13.3
Arapahoe	167	149	-10.8
Boulder	31	27	-12.9
Broomfield	7	5	-28.6
Denver	181	152	-16.0
Douglas	77	60	-22.1
El Paso	143	148	3.5
Jefferson	93	112	20.4
Larimer	60	48	-20.0
Mesa	75	90	20.0
Pueblo	56	67	19.6
Weld	106	70	-34.0
	<b>1124</b>	<b>1073</b>	<b>-4.5</b>

## Year-to-date (January-September) Foreclosure Totals

**Table 5: Foreclosure Filings**

County	Jan-Sep 2011	Jan-Sep 2012	Percent Change from 2011
Adams	2546	2518	-1.1
Arapahoe	2945	2940	-0.2
Boulder	732	642	-12.3
Broomfield	172	173	0.6
Denver	2524	2476	-1.9
Douglas	1273	1253	-1.6
El Paso	2615	2702	3.3
Jefferson	2078	2127	2.4
Larimer	1012	857	-15.3
Mesa	823	974	18.3
Pueblo	876	901	2.9
Weld	1414	1263	-10.7
Total	19010	18826	-1.0

**Table 6: Foreclosure Sales**

County	Jan-Sep 2011	Jan-Sep 2012	Percent Change from 2011
Adams	1664	1381	-17.0
Arapahoe	1982	1425	-28.1
Boulder	412	276	-33.0
Broomfield	67	70	4.5
Denver	1829	1187	-35.1
Douglas	826	525	-36.4
El Paso	1653	1325	-19.8
Jefferson	1276	1031	-19.2
Larimer	590	429	-27.3
Mesa	696	645	-7.3
Pueblo	587	607	3.4
Weld	1044	713	-31.7
Total	12626	9614	-23.9

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

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

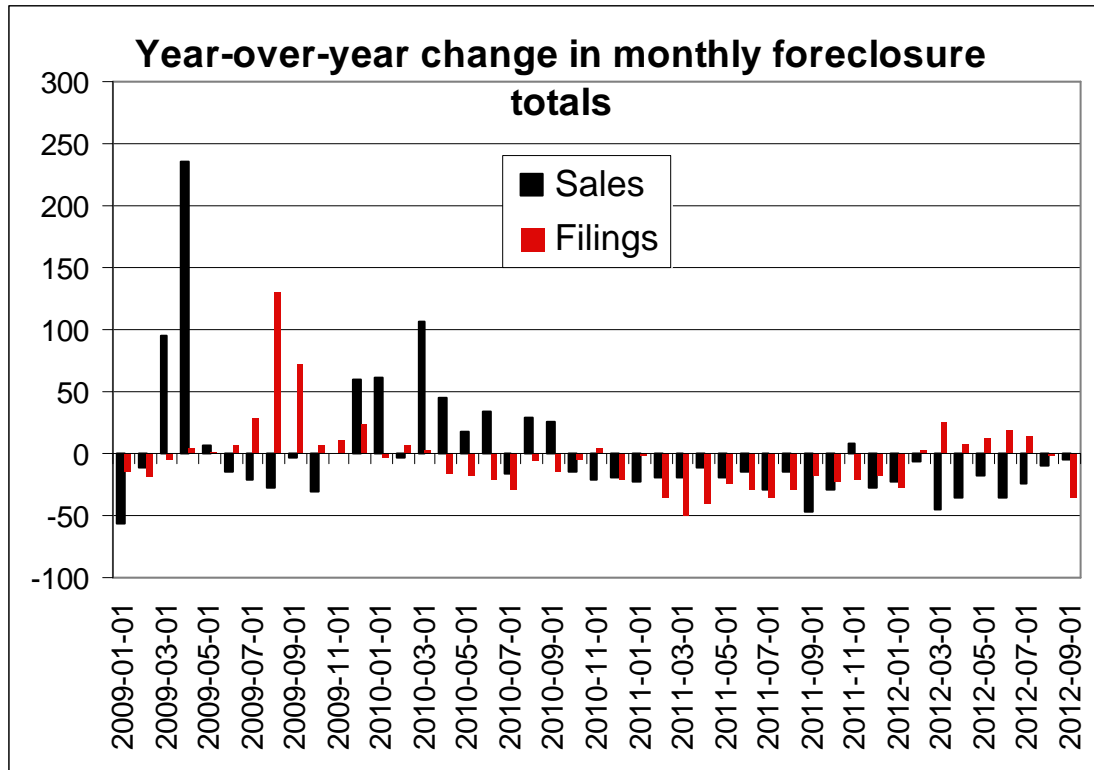
**Table 7:**

County	September	No. of households per completed foreclosure, 2011	September	No. of households per completed foreclosure, 2012
Adams	128	1,229	145	1,085
Arapahoe	167	1,371	149	1,537
Boulder	31	3,912	27	4,491
Broomfield	7	3,137	5	4,392
Denver	181	1,505	152	1,792
Douglas	77	1,356	60	1,741
El Paso	143	1,691	148	1,634
Jefferson	93	2,370	112	1,968
Larimer	60	2,044	48	2,555
Mesa	75	777	90	647
Pueblo	56	1,134	67	948
Weld	106	862	70	1,305
Metro total	<b>1124</b>	1,516	<b>1073</b>	1,588

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

## Appendix: Additional Analysis

Graph 3:



Both filings and auction sales were down year over year during September, and auction sales have been down year over year for the past ten months. Foreclosure filings dropped 34.7 percent, which is the largest drop since July 2011.



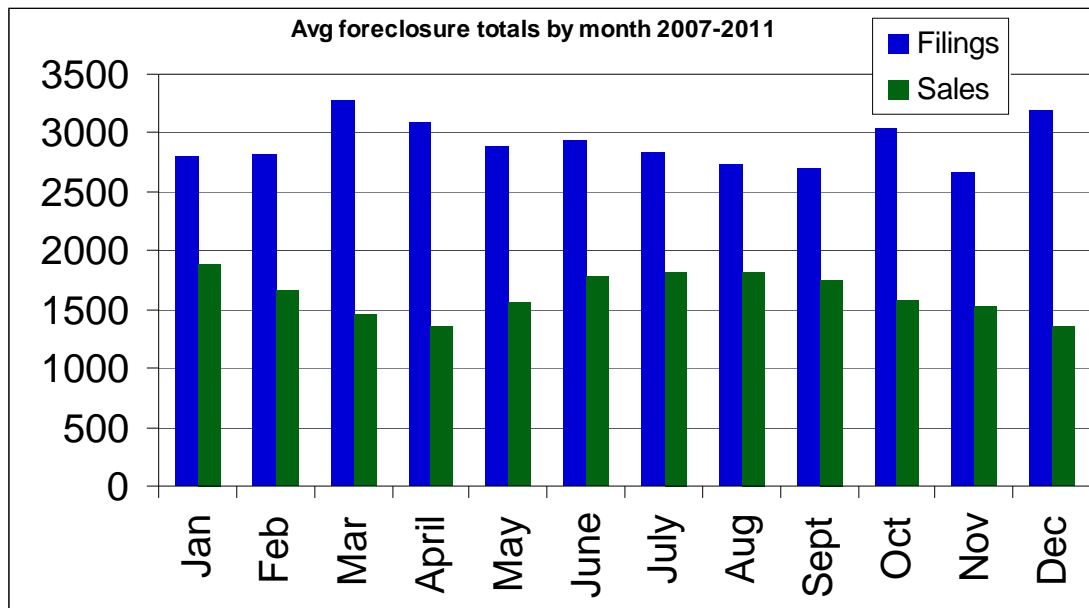
#### Graph 4:

##### Appendix: Seasonal Factors

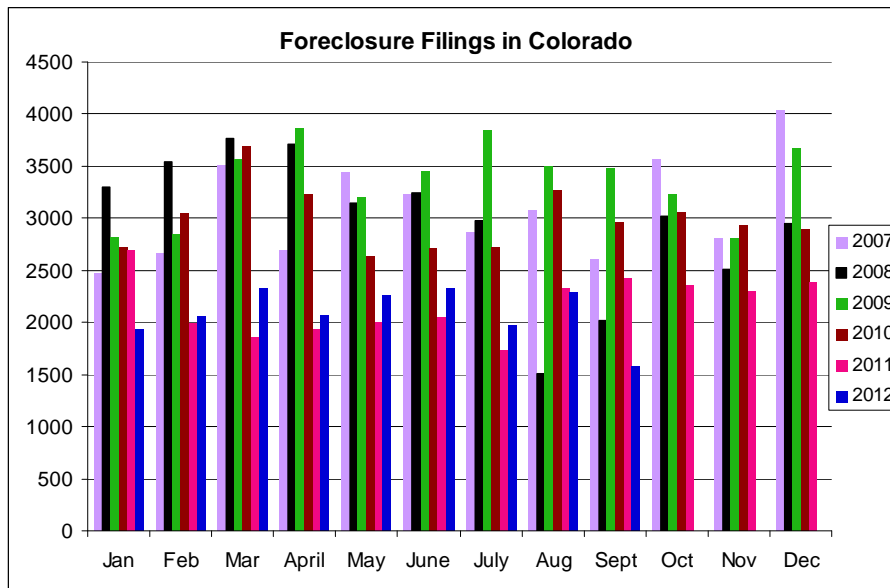
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 September is below typical filings activity levels reported in recent years and are at the lowest point for September since the Division of Housing began collecting data in 2007.

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

The auction sales total during September 2012 was at a six-year low for September, marking the fifth month in a row in which this year's monthly totals were at six-year lows.

