

Monthly Metropolitan Foreclosure Report, October 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 filings were down year over year to the lowest levels reported during October in six years, while foreclosure sales during October 2012 were up to a three-year high.

Comparing year-over-year from 2011 to 2012, foreclosure filings in October fell 20.0 percent with totals falling from 2,350 to 1,880.

October 2012 foreclosure sales (completed foreclosures) were up compared to October 2011 with an increase of 49.1 percent from 938 to 1,399.

During the first ten months of the year (Jan-October), foreclosure filings were down 3.3 percent from 21,362 to 20,662 from 2011 to 2012. During the same period, foreclosure auction sales were down 18.8 percent from 13,564 to 11,013.

Filings rose 18.7 percent from September 2012 to October 2012, and auction sales were up 30.4 percent over the same period.

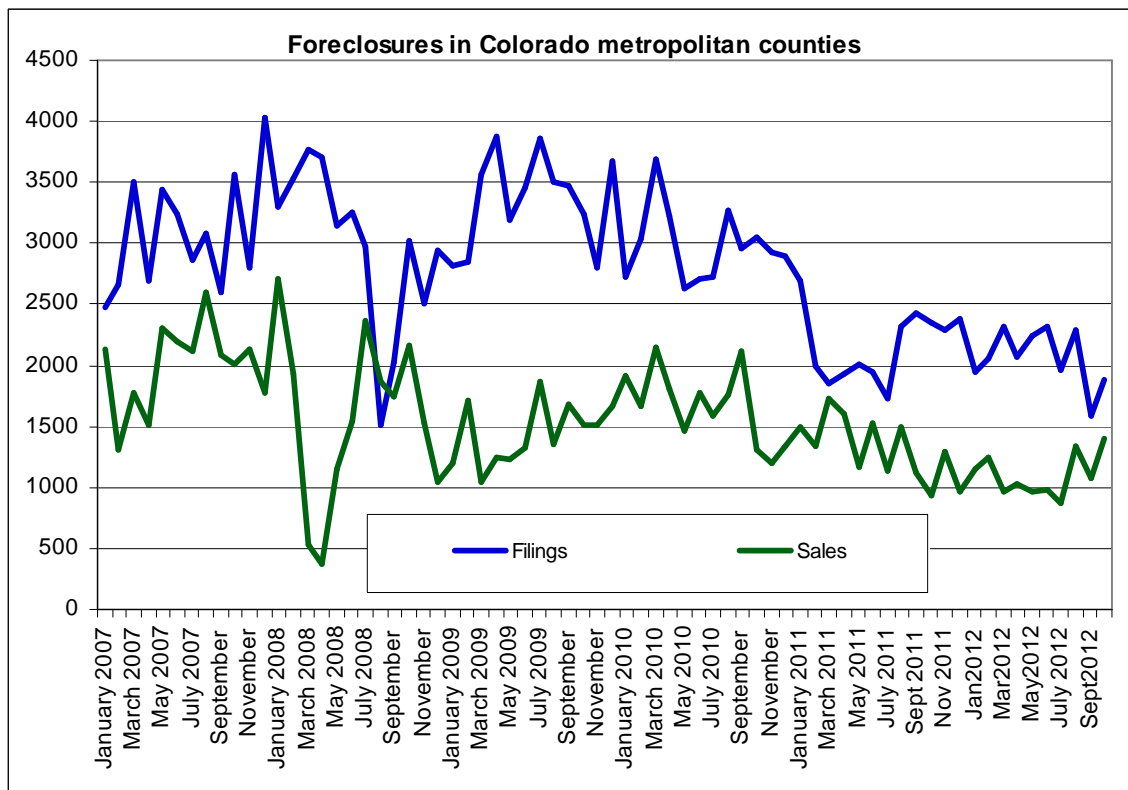
Mesa County reported the highest foreclosure rate during October, while Boulder County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- October 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.

Graph 1:



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

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

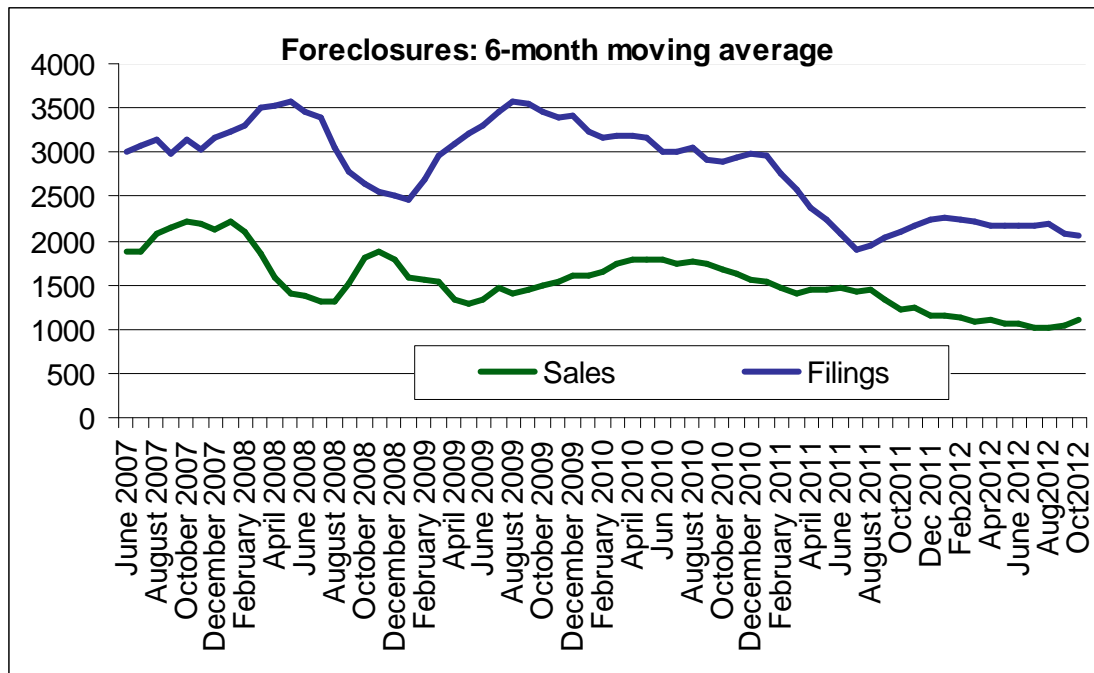
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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.

Most recently, sales totals have been inching up, perhaps in response to the increases that occurred in new filings during late 2011.

Graph 2:



Comparison tables:

Month-over-month comparisons (September 2012 to October 2012):

Table 1: Foreclosure filings

County	September	October	Pct Change from previous month
Adams	223	239	7.2
Arapahoe	257	262	1.9
Boulder	59	60	1.7
Broomfield	13	11	-15.4
Denver	215	219	1.9
Douglas	83	116	39.8
El Paso	258	310	20.2
Jefferson	154	181	17.5
Larimer	59	102	72.9
Mesa	79	133	68.4
Pueblo	82	100	22.0
Weld	102	147	44.1
Total	1584	1880	18.7

Table 2: Foreclosure sales

County	September	October	Pct Change from previous month
Adams	145	181	24.8
Arapahoe	149	187	25.5
Boulder	27	43	59.3
Broomfield	5	17	240.0
Denver	152	192	26.3
Douglas	60	83	38.3
El Paso	148	199	34.5
Jefferson	112	146	30.4
Larimer	48	62	29.2
Mesa	90	88	-2.2
Pueblo	67	81	20.9
Weld	70	120	71.4
Total	1073	1399	30.4

Year-over-year comparisons of October foreclosure activity:

Table 3: Foreclosure filings

County	October	October	Year-over-year percent change
Adams	380	239	-37.1
Arapahoe	346	262	-24.3
Boulder	83	60	-27.7
Broomfield	18	11	-38.9
Denver	326	219	-32.8
Douglas	153	116	-24.2
El Paso	338	310	-8.3
Jefferson	241	181	-24.9
Larimer	104	102	-1.9
Mesa	77	133	72.7
Pueblo	121	100	-17.4
Weld	163	147	-9.8
Total	2350	1880	-20.0

Table 4: Foreclosure sales

County	October	October	Year-over-year percent change
Adams	69	181	162.3
Arapahoe	182	187	2.7
Boulder	29	43	48.3
Broomfield	8	17	112.5
Denver	115	192	67.0
Douglas	65	83	27.7
El Paso	135	199	47.4
Jefferson	107	146	36.4
Larimer	68	62	-8.8
Mesa	39	88	125.6
Pueblo	63	81	28.6
Weld	58	120	106.9
	938	1399	49.1

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

Table 5: Foreclosure Filings

County	Jan-Oct 2011	Jan-Oct 2012	Percent Change from 2011
Adams	2929	2757	-5.9
Arapahoe	3289	3158	-4.0
Boulder	815	702	-13.9
Broomfield	190	184	-3.2
Denver	2850	2695	-5.4
Douglas	1427	1369	-4.1
El Paso	2953	3012	2.0
Jefferson	2319	2308	-0.5
Larimer	1116	959	-14.1
Mesa	900	1107	23.0
Pueblo	997	1001	0.4
Weld	1577	1410	-10.6
Total	21362	20662	-3.3

Table 6: Foreclosure Sales

County	Jan-Oct 2011	Jan-Oct 2012	Percent Change from 2011
Adams	1733	1562	-9.9
Arapahoe	2164	1612	-25.5
Boulder	441	319	-27.7
Broomfield	75	87	16.0
Denver	1944	1379	-29.1
Douglas	891	608	-31.8
El Paso	1788	1524	-14.8
Jefferson	1383	1177	-14.9
Larimer	658	491	-25.4
Mesa	735	733	-0.3
Pueblo	650	688	5.8
Weld	1102	833	-24.4
Total	13564	11013	-18.8

Foreclosure sales (completed foreclosure) rates in each county:

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

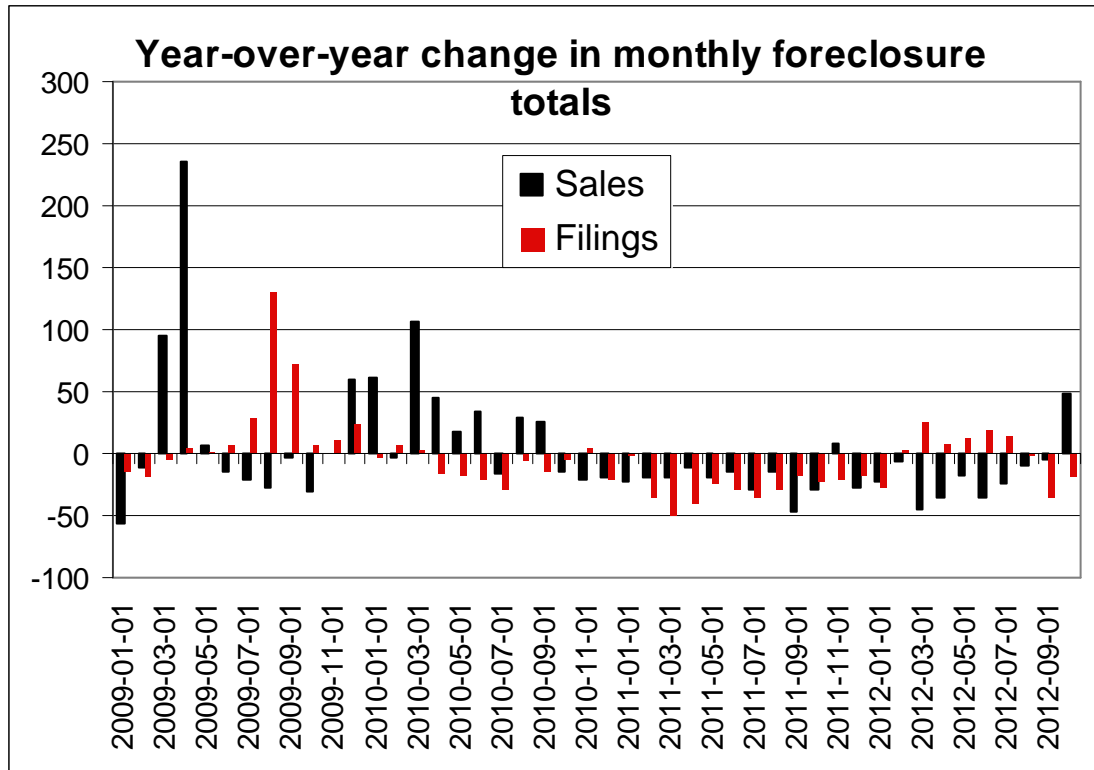
Table 7:

County	October	No. of households per completed foreclosure, 2011	October	No. of households per completed foreclosure, 2012
Adams	69	2,279	181	869
Arapahoe	182	1,258	187	1,225
Boulder	29	4,182	43	2,820
Broomfield	8	2,745	17	1,292
Denver	115	2,369	192	1,419
Douglas	65	1,607	83	1,258
El Paso	135	1,791	199	1,215
Jefferson	107	2,060	146	1,510
Larimer	68	1,803	62	1,978
Mesa	39	1,494	88	662
Pueblo	63	1,008	81	784
Weld	58	1,575	120	761
Metro total	938	1,817	1399	1,218

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

Appendix: Additional Analysis

Graph 3:



Bouncing back from very low totals reported during late 2011, sales totals increased 49 percent from October 2011 to October 2012, the largest year over year growth rate seen in any month since 2010. This followed ten months of year-over-year declines. Foreclosure filings were down, year over year, for the third month in a row, dropping 20 percent.

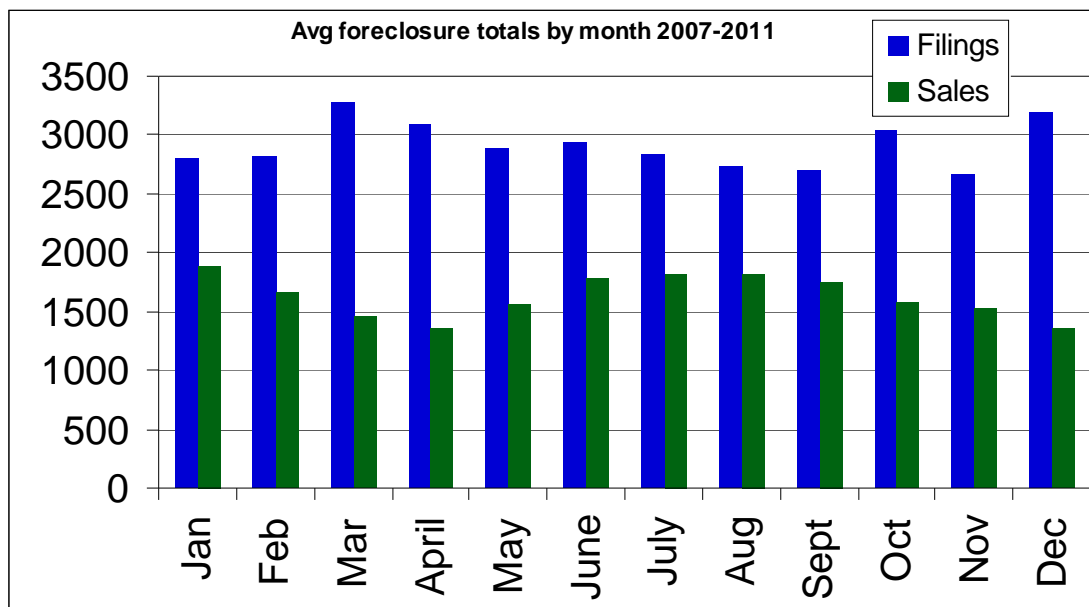
Graph 4:

Appendix: Seasonal Factors

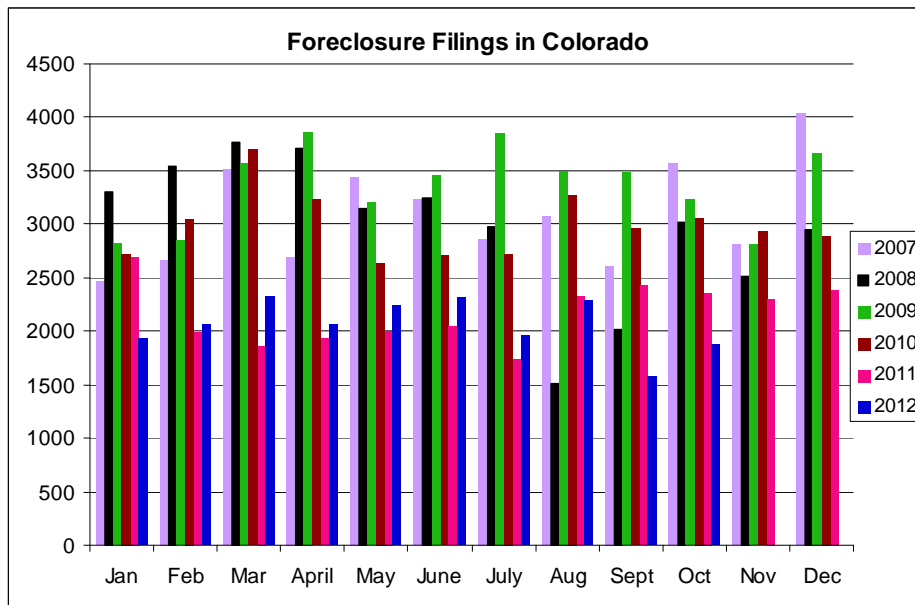
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 October was below typical filings activity levels reported in recent years and are at the lowest point for October 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 October 2012 was at a three-year high, but still below October totals for 2007-2009.

