

Monthly Metropolitan Foreclosure Report, November 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

During November 2012, foreclosure filings were down, year over year, to the lowest level reported during any other month in six years, while foreclosure auction sales fell to the lowest level recorded during any November in six years.

Comparing year-over-year from 2011 to 2012, foreclosure filings in November fell 36.8 percent with totals falling from 2,296 to 1,450.

November 2012 foreclosure sales (completed foreclosures) were down compared to November 2011 with a decrease of 31.8 percent from 1,290 to 880.

During the first eleven months of the year (Jan-November), foreclosure filings were down 6.5 percent from 23,658 to 22,112 from 2011 to 2012. During the same period, foreclosure auction sales were down 19.9 percent from 14,854 to 11,893.

Filings fell 22.9 percent from October 2012 to November 2012, and auction sales were down 37.1 percent over the same period.

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

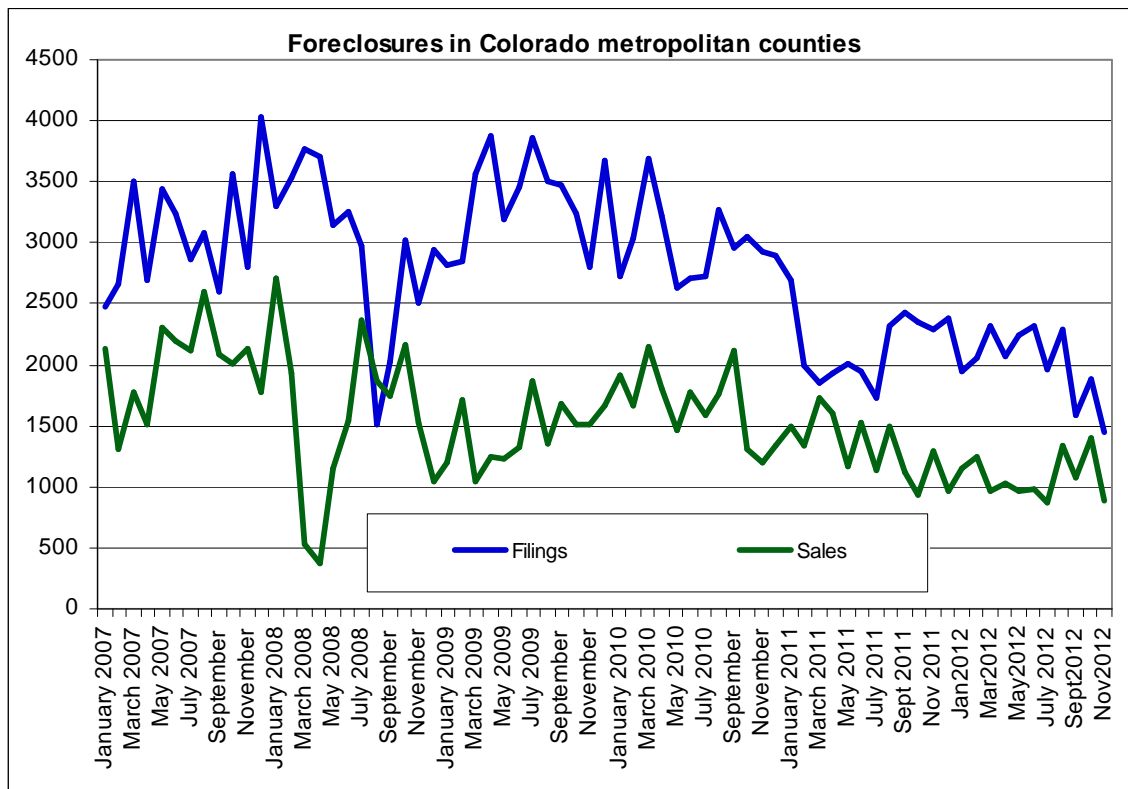
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- November 2012.

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.

During November 2012, foreclosure filings fell to the lowest level recorded in any month since the Division of Housing first began collecting monthly data in 2007.

Graph 1:



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

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

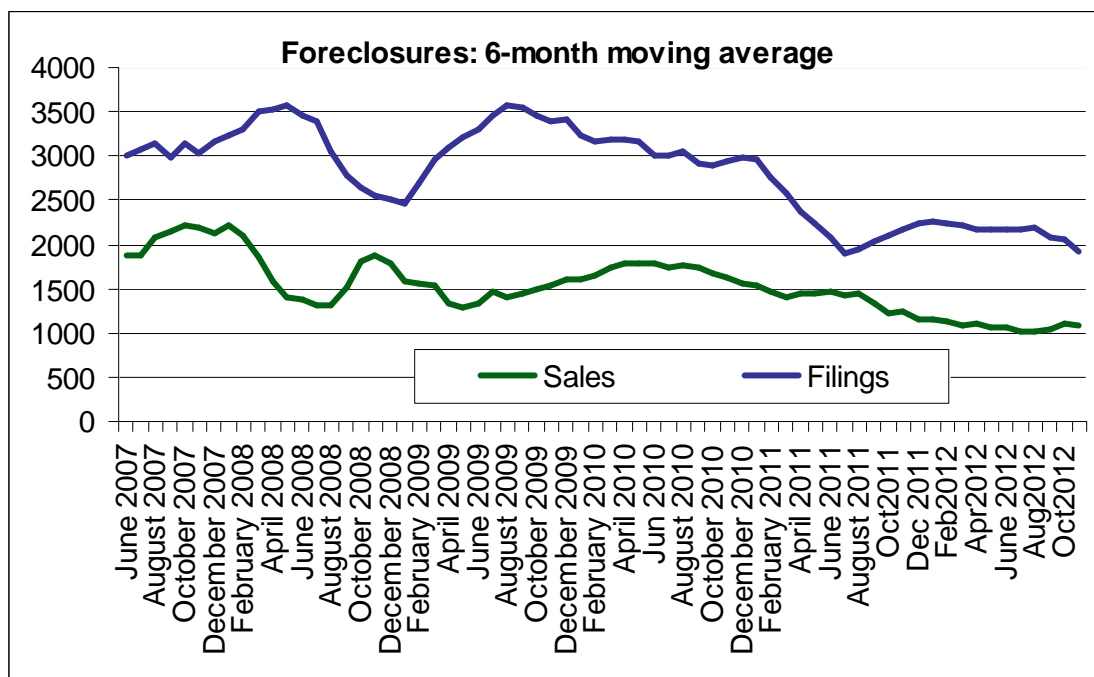
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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.

During November 2012, the six-month moving average in auction sales remained near the lowest levels recorded since the report was begun in 2007.

Graph 2:



Comparison tables:

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

Table 1: Foreclosure filings

County	October	November	Pct Change from previous month
Adams	239	197	-17.6
Arapahoe	262	209	-20.2
Boulder	60	49	-18.3
Broomfield	11	10	-9.1
Denver	219	200	-8.7
Douglas	116	69	-40.5
El Paso	310	212	-31.6
Jefferson	181	202	11.6
Larimer	102	54	-47.1
Mesa	133	72	-45.9
Pueblo	100	86	-14.0
Weld	147	90	-38.8
Total	1880	1450	-22.9

Table 2: Foreclosure sales

County	October	November	Pct Change from previous month
Adams	181	115	-36.5
Arapahoe	187	112	-40.1
Boulder	43	31	-27.9
Broomfield	17	6	-64.7
Denver	192	120	-37.5
Douglas	83	48	-42.2
El Paso	199	173	-13.1
Jefferson	146	71	-51.4
Larimer	62	40	-35.5
Mesa	88	51	-42.0
Pueblo	81	48	-40.7
Weld	120	65	-45.8
Total	1399	880	-37.1

Year-over-year comparisons of November foreclosure activity:

Table 3: Foreclosure filings

County	November	November	Year-over-year percent change
Adams	299	197	-34.1
Arapahoe	338	209	-38.2
Boulder	106	49	-53.8
Broomfield	12	10	-16.7
Denver	312	200	-35.9
Douglas	149	69	-53.7
El Paso	289	212	-26.6
Jefferson	257	202	-21.4
Larimer	105	54	-48.6
Mesa	101	72	-28.7
Pueblo	148	86	-41.9
Weld	180	90	-50.0
Total	2296	1450	-36.8

Table 4: Foreclosure sales

County	November	November	Year-over-year percent change
Adams	219	115	-47.5
Arapahoe	220	112	-49.1
Boulder	34	31	-8.8
Broomfield	8	6	-25.0
Denver	120	120	0.0
Douglas	80	48	-40.0
El Paso	144	173	20.1
Jefferson	148	71	-52.0
Larimer	75	40	-46.7
Mesa	70	51	-27.1
Pueblo	65	48	-26.2
Weld	107	65	-39.3
	1290	880	-31.8

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

Table 5: Foreclosure Filings

County	Jan-Nov 2011	Jan-Nov 2012	Percent Change from 2011
Adams	3228	2954	-8.5
Arapahoe	3627	3367	-7.2
Boulder	921	751	-18.5
Broomfield	202	194	-4.0
Denver	3162	2895	-8.4
Douglas	1576	1438	-8.8
El Paso	3242	3224	-0.6
Jefferson	2576	2510	-2.6
Larimer	1221	1013	-17.0
Mesa	1001	1179	17.8
Pueblo	1145	1087	-5.1
Weld	1757	1500	-14.6
Total	23658	22112	-6.5

Table 6: Foreclosure Sales

County	Jan-Nov 2011	Jan-Nov 2012	Percent Change from 2011
Adams	1952	1677	-14.1
Arapahoe	2384	1724	-27.7
Boulder	475	350	-26.3
Broomfield	83	93	12.0
Denver	2064	1499	-27.4
Douglas	971	656	-32.4
El Paso	1932	1697	-12.2
Jefferson	1531	1248	-18.5
Larimer	733	531	-27.6
Mesa	805	784	-2.6
Pueblo	715	736	2.9
Weld	1209	898	-25.7
Total	14854	11893	-19.9

Foreclosure sales (completed foreclosure) rates in each county:

November 2012 rates, on the right, are compared with 2011 rates on the left. In most counties, foreclosure rates declined from 2011 to 2012. (An increase in the number of households per foreclosure means a decline in the foreclosure rate.)

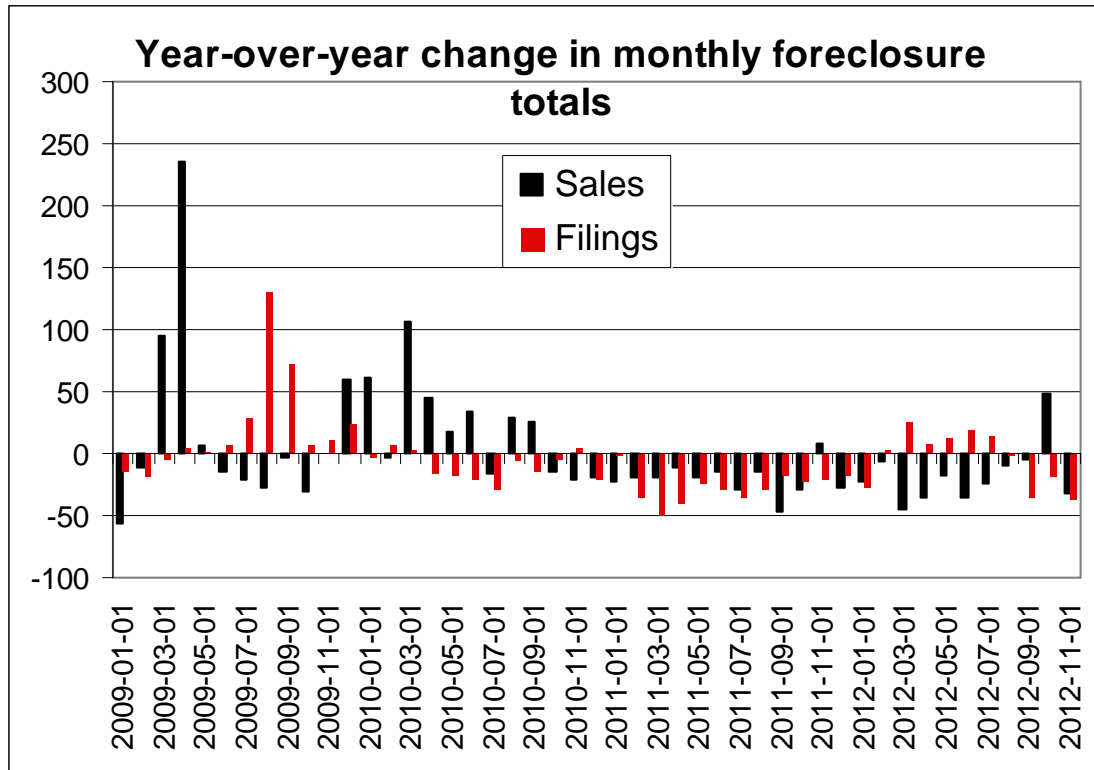
Table 7:

County	November	No. of households per completed foreclosure, 2011	November	No. of households per completed foreclosure, 2012
Adams	219	718	115	1,368
Arapahoe	220	1,041	112	2,045
Boulder	34	3,567	31	3,912
Broomfield	8	2,745	6	3,660
Denver	120	2,270	120	2,270
Douglas	80	1,305	48	2,176
El Paso	144	1,679	173	1,398
Jefferson	148	1,489	71	3,105
Larimer	75	1,635	40	3,066
Mesa	70	832	51	1,143
Pueblo	65	977	48	1,323
Weld	107	854	65	1,406
Metro total	1290	1,321	880	1,937

For November 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 foreclosure filings and foreclosure sales showed solid declines, year over year, during November with filings dropping 35.8 percent and foreclosure auction sales dropping 31.8 percent.

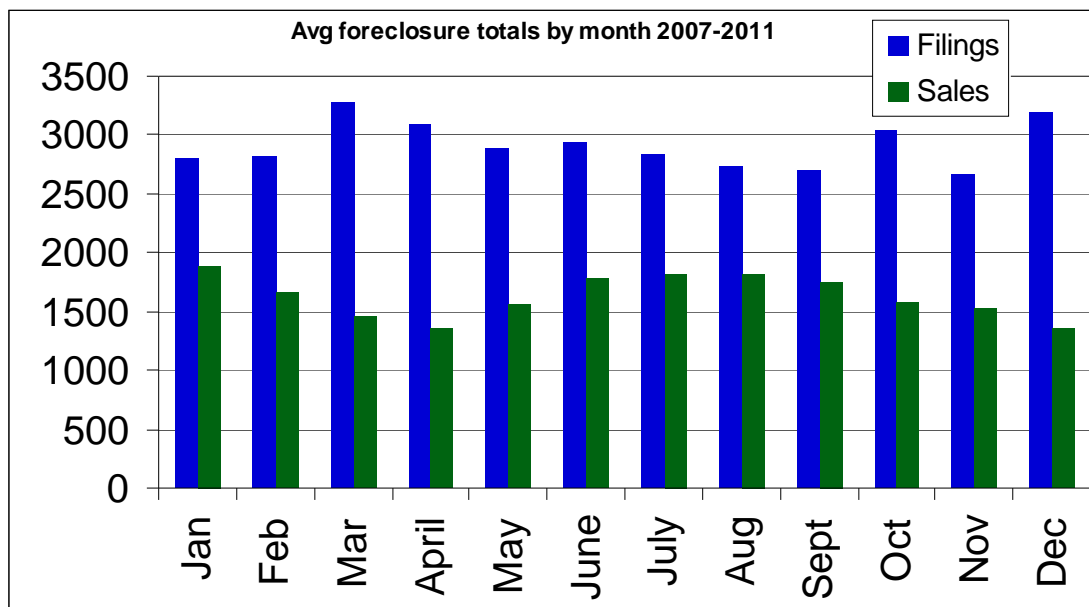
Graph 4:

Appendix: Seasonal Factors

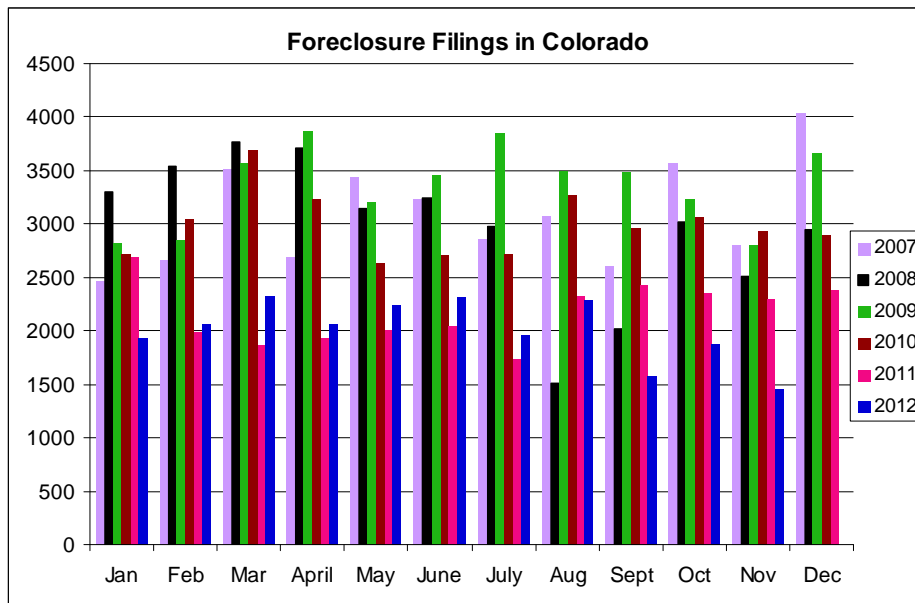
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 for November was at a six-year low for the month and was at the lowest level recorded in any month since the survey was initiated in 2007.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during November 2012 was at a six-year low for the month, and was at the lowest total recorded in any month since 2008.

