

Monthly Metropolitan Foreclosure Report, December 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 December 2012, foreclosure filings were down, year over year, and remained close to the lowest level reported during any other month in six years. Foreclosure auction sales also remained near six-year lows.

Comparing year-over-year from 2011 to 2012, foreclosure filings in December fell 39.3 percent with totals falling from 2,382 to 1,445.

December 2012 foreclosure sales (completed foreclosures) were down compared to December 2011 with a decrease of 18.4 percent from 968 to 790.

During the full year of 2012, foreclosure filings were down 9.5 percent from 26,040 to 23,557 from 2011 to 2012. During the same period, foreclosure auction sales were down 19.8 percent from 15,822 to 12,683.

Filings fell 0.3 percent from November 2012 to December 2012, and auction sales were down 10.2 percent over the same period.

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

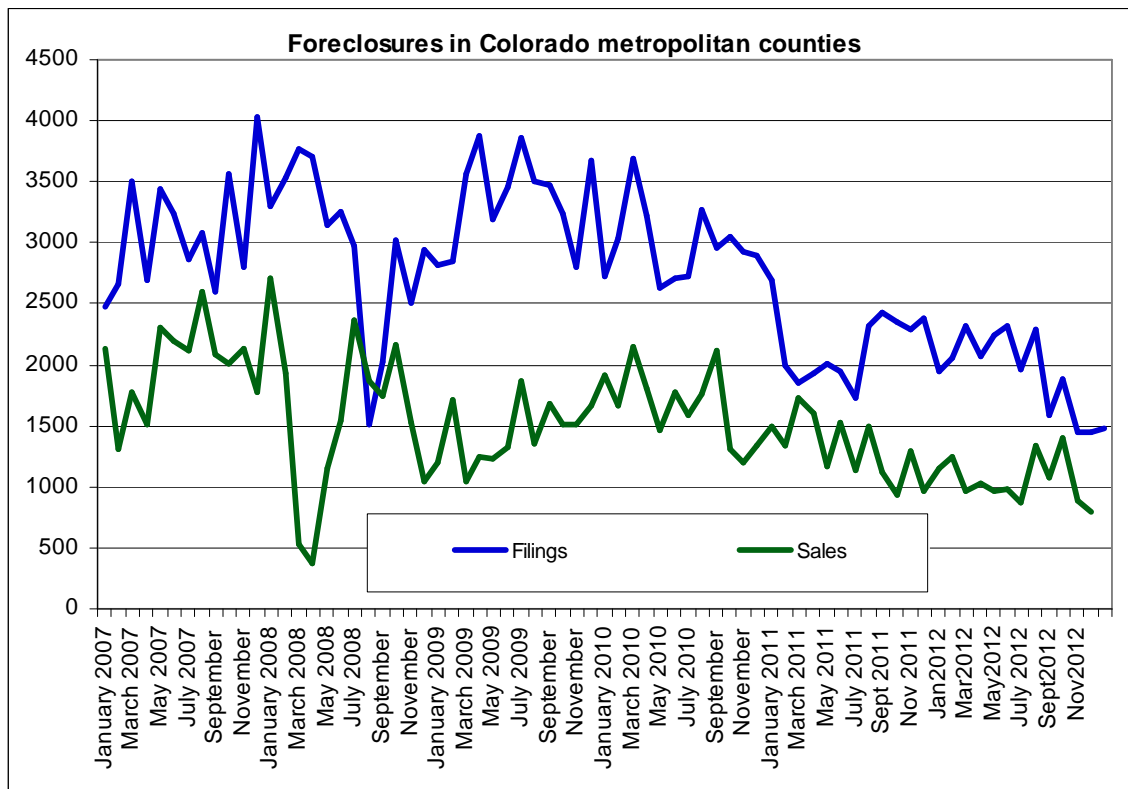
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- December 2012.

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 December 2012, foreclosure filings remained near 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-December 2012.

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

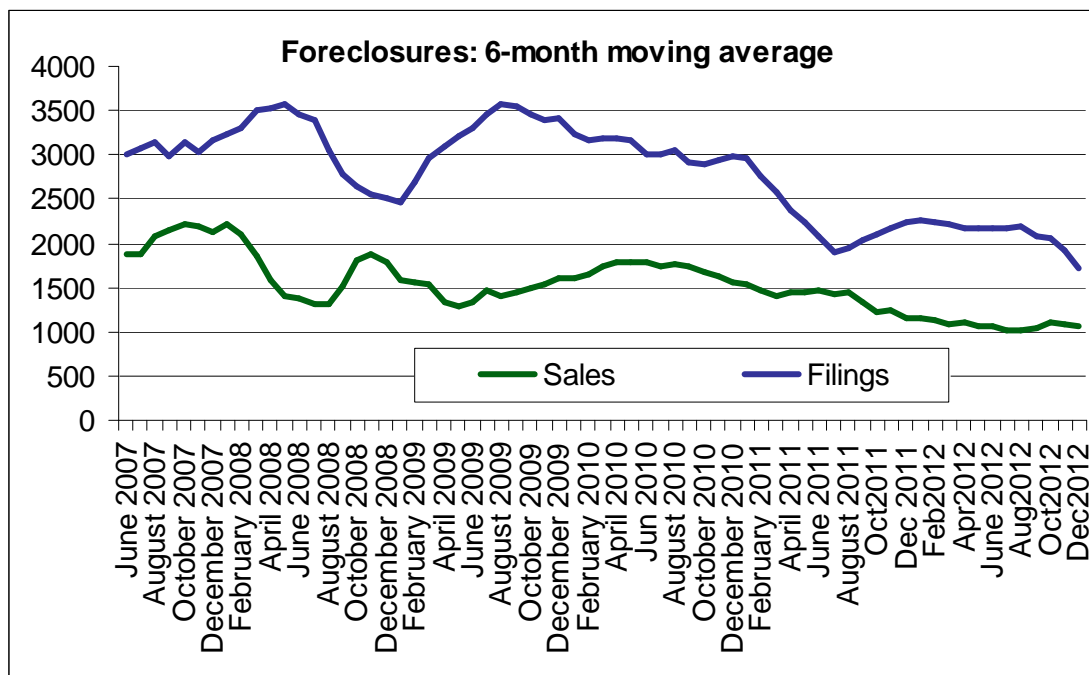
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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. Nevertheless, the increase in filings that appeared in late 2011 has yet to produce any resulting rise in auction sales.

During December 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 (November 2012 to December 2012):

Table 1: Foreclosure filings

County	November	December	Pct Change from previous month
Adams	197	228	15.7
Arapahoe	209	222	6.2
Boulder	49	38	-22.4
Broomfield	10	16	60.0
Denver	200	169	-15.5
Douglas	69	96	39.1
El Paso	212	230	8.5
Jefferson	202	140	-30.7
Larimer	54	65	20.4
Mesa	72	67	-6.9
Pueblo	86	95	10.5
Weld	90	79	-12.2
Total	1450	1445	-0.3

Table 2: Foreclosure sales

County	November	December	Pct Change from previous month
Adams	115	134	16.5
Arapahoe	112	103	-8.0
Boulder	31	22	-29.0
Broomfield	6	3	-50.0
Denver	120	106	-11.7
Douglas	48	35	-27.1
El Paso	173	126	-27.2
Jefferson	71	87	22.5
Larimer	40	28	-30.0
Mesa	51	63	23.5
Pueblo	48	43	-10.4
Weld	65	40	-38.5
Total	880	790	-10.2

Year-over-year comparisons of December foreclosure activity:

Table 3: Foreclosure filings

County	December	December	Year-over-year percent change
Adams	325	228	-29.8
Arapahoe	333	222	-33.3
Boulder	44	38	-13.6
Broomfield	11	16	45.5
Denver	272	169	-37.9
Douglas	185	96	-48.1
El Paso	361	230	-36.3
Jefferson	280	140	-50.0
Larimer	108	65	-39.8
Mesa	179	67	-62.6
Pueblo	122	95	-22.1
Weld	162	79	-51.2
Total	2382	1445	-39.3

Table 4: Foreclosure sales

County	December	December	Year-over-year percent change
Adams	147	134	-8.8
Arapahoe	147	103	-29.9
Boulder	21	22	4.8
Broomfield	15	3	-80.0
Denver	153	106	-30.7
Douglas	56	35	-37.5
El Paso	128	126	-1.6
Jefferson	90	87	-3.3
Larimer	48	28	-41.7
Mesa	49	63	28.6
Pueblo	53	43	-18.9
Weld	61	40	-34.4
Total	968	790	-18.4

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

Table 5: Foreclosure Filings

County	Year-end 2011	Year-end 2012	Percent Change from 2011
Adams	3553	3182	-10.4
Arapahoe	3960	3589	-9.4
Boulder	965	789	-18.2
Broomfield	213	210	-1.4
Denver	3434	3064	-10.8
Douglas	1761	1534	-12.9
El Paso	3603	3454	-4.1
Jefferson	2856	2650	-7.2
Larimer	1329	1078	-18.9
Mesa	1180	1246	5.6
Pueblo	1267	1182	-6.7
Weld	1919	1579	-17.7
Total	26040	23557	-9.5

Table 6: Foreclosure Sales

County	Year-end 2011	Year-end 2012	Percent Change from 2011
Adams	2099	1811	-13.7
Arapahoe	2531	1827	-27.8
Boulder	496	372	-25.0
Broomfield	98	96	-2.0
Denver	2217	1605	-27.6
Douglas	1027	691	-32.7
El Paso	2060	1823	-11.5
Jefferson	1621	1335	-17.6
Larimer	781	559	-28.4
Mesa	854	847	-0.8
Pueblo	768	779	1.4
Weld	1270	938	-26.1
Total	15822	12683	-19.8

Foreclosure sales (completed foreclosure) rates in each county:

December 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.)

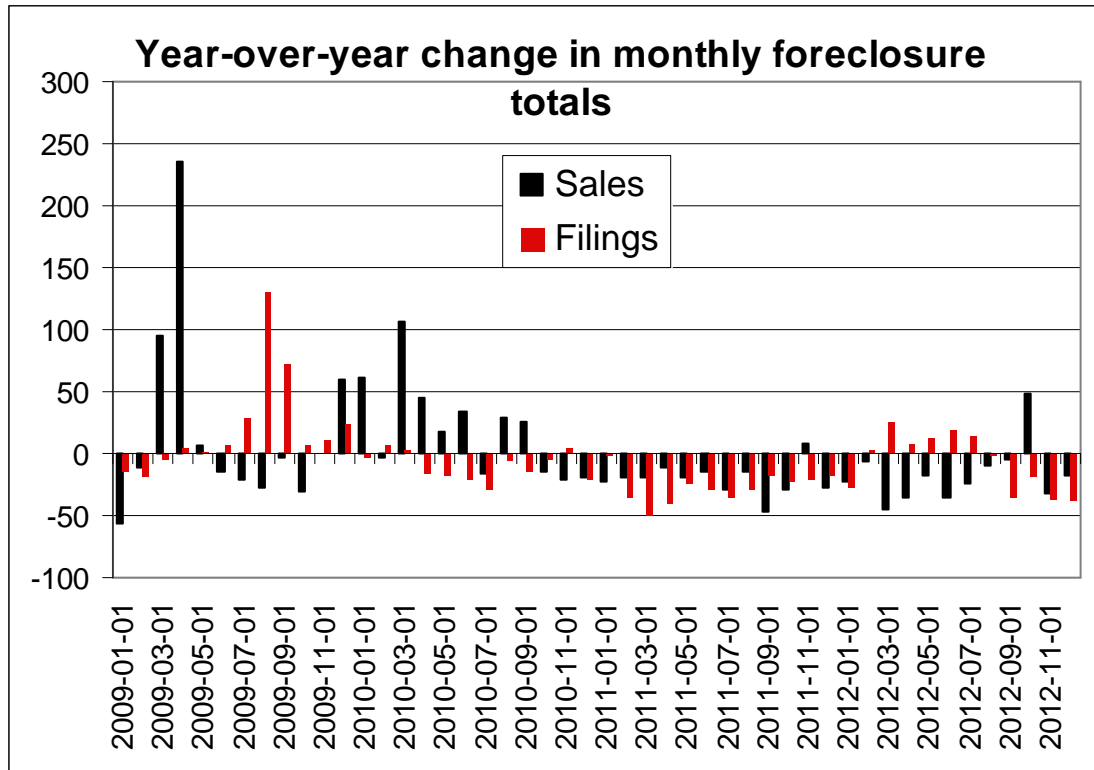
Table 7:

County	December	No. of households per completed foreclosure, 2011	December	No. of households per completed foreclosure, 2012
Adams	147	1,070	134	1,174
Arapahoe	147	1,558	103	2,223
Boulder	21	5,775	22	5,512
Broomfield	15	1,464	3	7,320
Denver	153	1,781	106	2,570
Douglas	56	1,865	35	2,984
El Paso	128	1,889	126	1,919
Jefferson	90	2,449	87	2,534
Larimer	48	2,555	28	4,379
Mesa	49	1,189	63	925
Pueblo	53	1,198	43	1,477
Weld	61	1,498	40	2,284
Metro total	968	1,761	790	2,157

For December 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 December with filings dropping 39.3 percent and foreclosure auction sales dropping 18.39 percent.

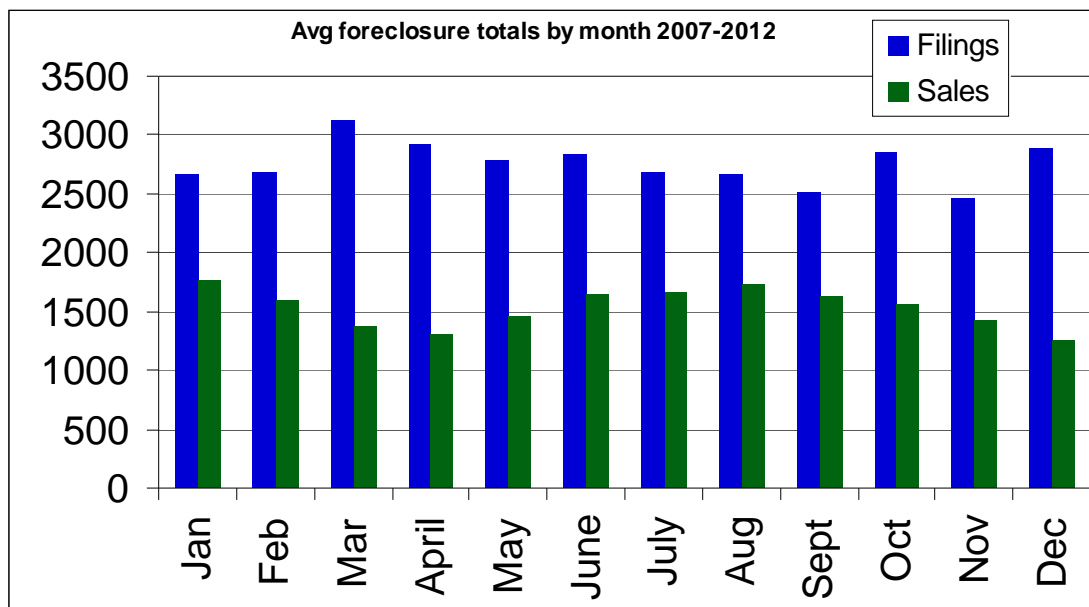
Graph 4:

Appendix: Seasonal Factors

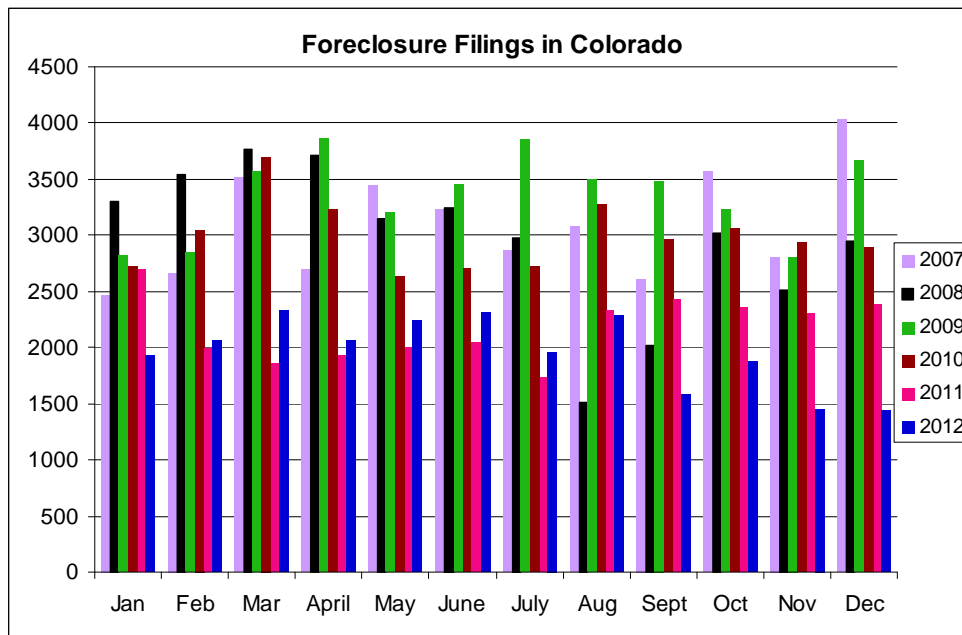
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

Although we only have six 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 December 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 December 2012 was at a six-year low for the month, and was at the lowest total recorded in any month since 2008.

