

Monthly Metropolitan Foreclosure Report, January 2013

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 of filings.

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 January 2013, foreclosure filings were down, year over year, and remained close to the lowest level reported during any other month in seven years. Foreclosure auction sales also declined year over year.

Comparing year-over-year from 2012 to 2013, foreclosure filings in January fell 24.9 percent with totals falling from 1,939 to 1,456.

January 2013 foreclosure sales (completed foreclosures) were down compared to January 2012 with a decrease of 19.1 percent from 1,150 to 930.

For the twelve-month period ending January 2013, foreclosure filings were down 8.7 to 23,074 filings. There were 25,280 filings during the same period ending January 2012. Foreclosure auction sales were down 19.5 percent to 12,463 for the twelve-month period ending January 2013, falling from 15,473 sales during the period ending January 2012.

Filings rose 0.8 percent from December 2012 to January 2013, and auction sales were up 17.7 percent over the same period.

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

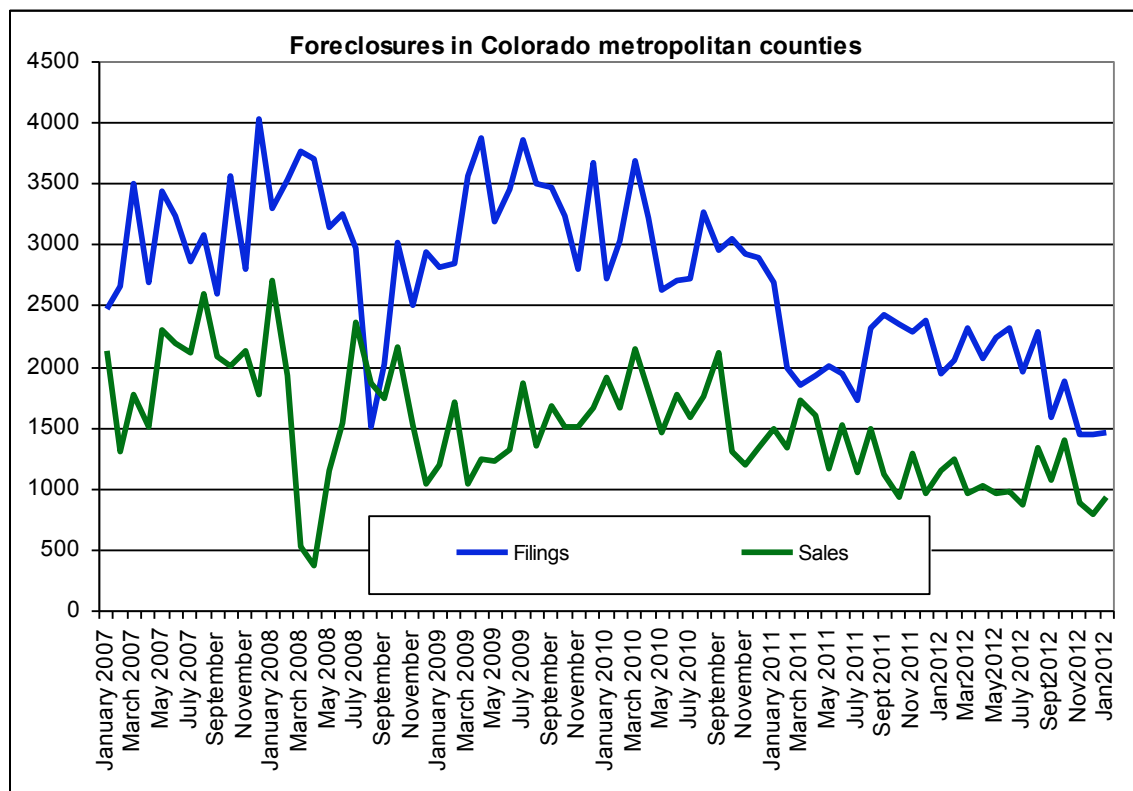
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- January 2013.

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-January 2013.

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

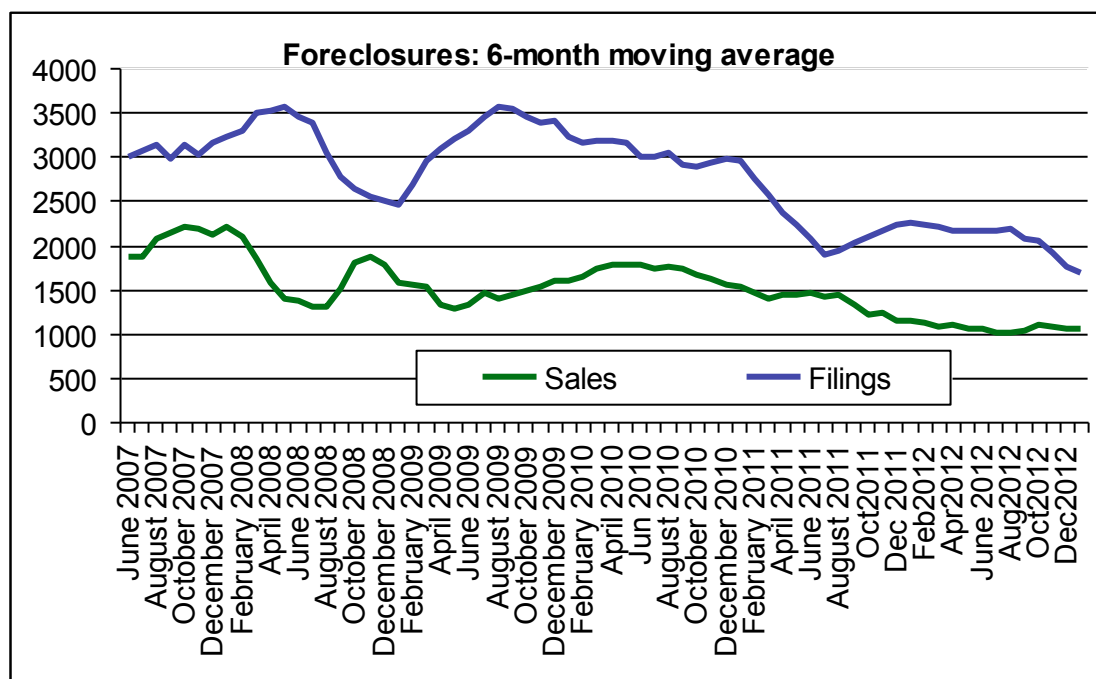
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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 (December 2012 to January 2013):

Table 1: Foreclosure filings

County	December	January	Pct Change from previous month
Adams	228	173	-24.1
Arapahoe	222	223	0.5
Boulder	38	41	7.9
Broomfield	16	23	43.8
Denver	169	204	20.7
Douglas	96	65	-32.3
El Paso	230	214	-7.0
Jefferson	140	186	32.9
Larimer	65	69	6.2
Mesa	67	60	-10.4
Pueblo	95	68	-28.4
Weld	79	130	64.6
Total	1445	1456	0.8

Table 2: Foreclosure sales

County	December	January	Pct Change from previous month
Adams	134	128	-4.5
Arapahoe	103	145	40.8
Boulder	22	30	36.4
Broomfield	3	11	266.7
Denver	106	72	-32.1
Douglas	35	60	71.4
El Paso	126	175	38.9
Jefferson	87	77	-11.5
Larimer	28	54	92.9
Mesa	63	50	-20.6
Pueblo	43	60	39.5
Weld	40	68	70.0
Total	790	930	17.7

Year-over-year comparisons of January foreclosure activity:

Table 3: Foreclosure filings

County	January 2012	January 2013	Year- over-year percent change
Adams	268	173	-35.4
Arapahoe	296	223	-24.7
Boulder	57	41	-28.1
Broomfield	15	23	53.3
Denver	269	204	-24.2
Douglas	132	65	-50.8
El Paso	285	214	-24.9
Jefferson	191	186	-2.6
Larimer	100	69	-31.0
Mesa	93	60	-35.5
Pueblo	102	68	-33.3
Weld	131	130	-0.8
Total	1939	1456	-24.9

Table 4: Foreclosure sales

County	January 2012	January 2013	Year- over-year percent change
Adams	163	128	-21.5
Arapahoe	158	145	-8.2
Boulder	33	30	-9.1
Broomfield	10	11	10.0
Denver	153	72	-52.9
Douglas	64	60	-6.3
El Paso	148	175	18.2
Jefferson	129	77	-40.3
Larimer	60	54	-10.0
Mesa	77	50	-35.1
Pueblo	61	60	-1.6
Weld	94	68	-27.7
Total	1150	930	-19.1

Comparison of twelve-month totals ending in current month.

Table 5: Foreclosure Filings

County	12-mo total through January 2012	12- mo total through January 2013	Percent change
Adams	3451	3087	-10.5
Arapahoe	3838	3516	-8.4
Boulder	947	773	-18.4
Broomfield	203	218	7.4
Denver	3345	2999	-10.3
Douglas	1655	1467	-11.4
El Paso	3477	3383	-2.7
Jefferson	2797	2645	-5.4
Larimer	1309	1047	-20.0
Mesa	1155	1213	5.0
Pueblo	1243	1148	-7.6
Weld	1860	1578	-15.2
Total	25280	23074	-8.7

Table 6: Foreclosure Sales

County	12-mo total through January 2012	12- mo total through January 2013	Percent change
Adams	2058	1776	-13.7
Arapahoe	2454	1814	-26.1
Boulder	477	369	-22.6
Broomfield	105	97	-7.6
Denver	2184	1524	-30.2
Douglas	964	687	-28.7
El Paso	2022	1850	-8.5
Jefferson	1595	1283	-19.6
Larimer	761	553	-27.3
Mesa	852	820	-3.8
Pueblo	761	778	2.2
Weld	1240	912	-26.5
Total	15473	12463	-19.5

Foreclosure sales (completed foreclosure) rates in each county:

January 2013 rates, on the right, are compared with 2012 rates on the left. In most counties, foreclosure rates declined from 2012 to 2013. (An increase in the number of households per foreclosure means a decline in the foreclosure rate.)

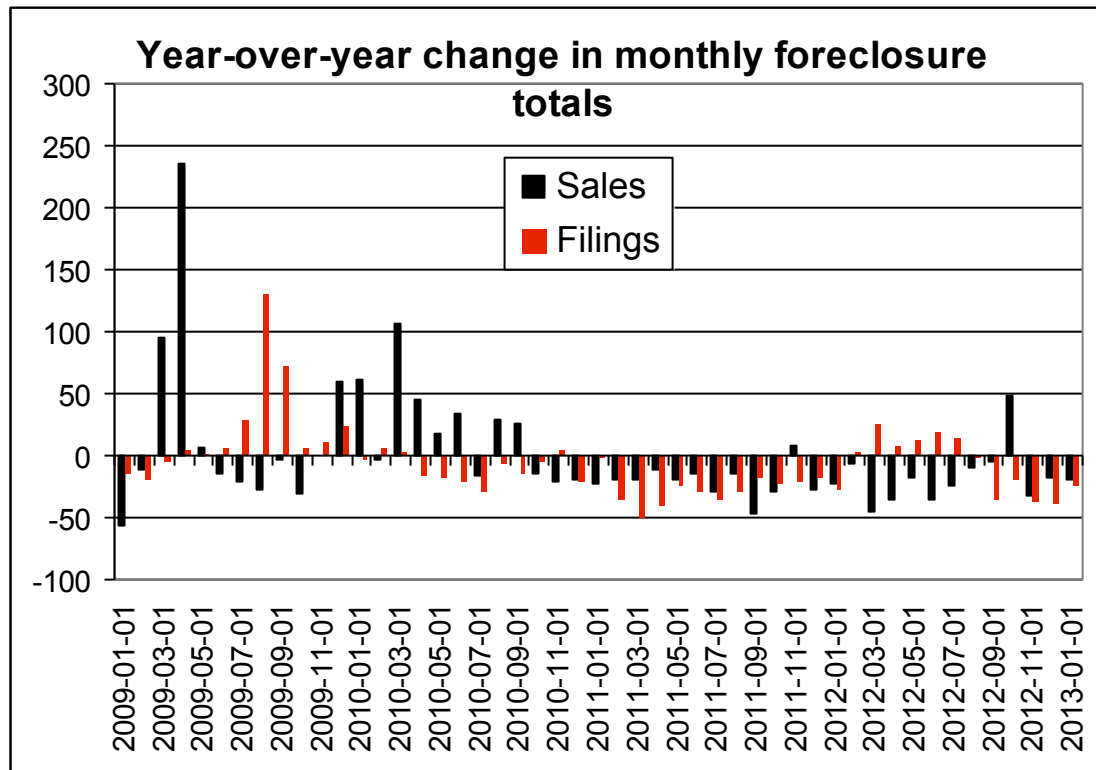
Table 7:

County	January 2012	No. of households per completed foreclosure, 2011	January 2013	No. of households per completed foreclosure, 2012
Adams	163	965	128	1,229
Arapahoe	158	1,449	145	1,579
Boulder	33	3,675	30	4,042
Broomfield	10	2,196	11	1,996
Denver	153	1,781	72	3,784
Douglas	64	1,632	60	1,741
El Paso	148	1,634	175	1,382
Jefferson	129	1,709	77	2,863
Larimer	60	2,044	54	2,271
Mesa	77	757	50	1,165
Pueblo	61	1,041	60	1,058
Weld	94	972	68	1,344
Metro total	1150	1,482	930	1,833

For January 2013, the highest foreclosure rate was found in Pueblo 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 January with filings dropping 24.9 percent and foreclosure auction sales dropping 19.1 percent.

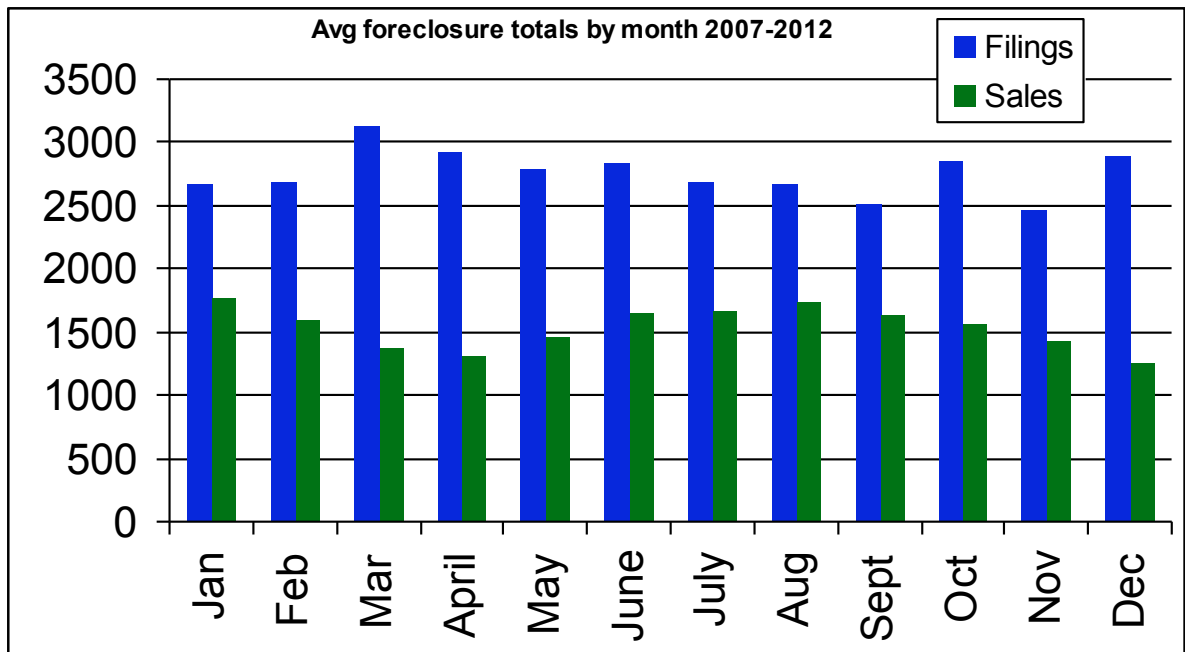
Graph 4:

Appendix: Seasonal Factors

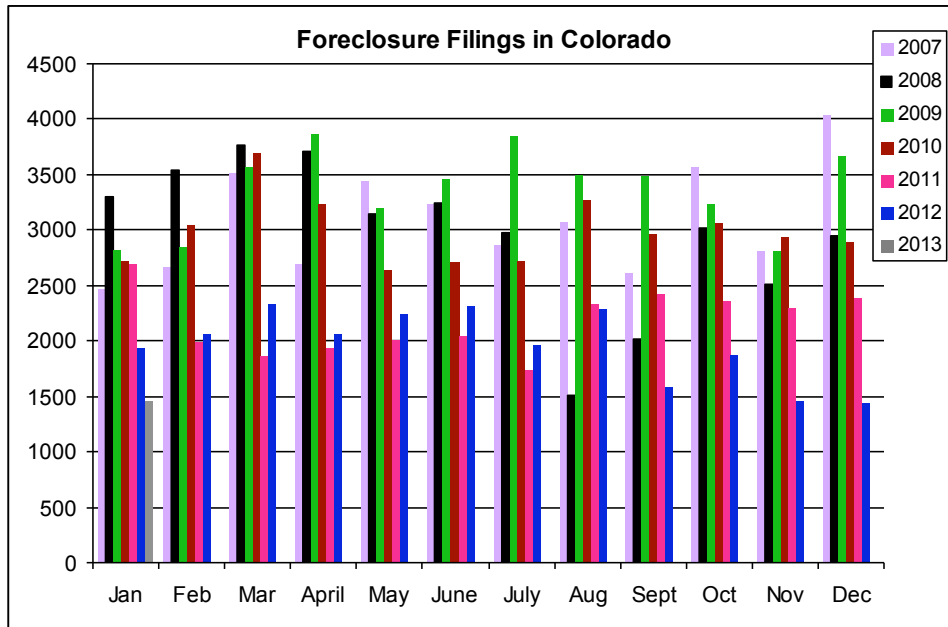
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 January was at a seven-year low for the month and was only slightly above 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 January 2013 was at a seven-year low for the month.

