

Monthly Metropolitan Foreclosure Report, February 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://www.divisionofhousing.com>.

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 February 2013, foreclosure filings were down, year over year, and foreclosure filings fell to the lowest point recorded in any month since the Division of Housing began keeping monthly foreclosure stats in 2007. Foreclosure auction sales were at the lowest level recorded in any February during the past seven years.

February 2013 foreclosure filings were down 43.6 percent from February 2012, dropping from 2,056 to 1,160, year over year.

February 2013 foreclosure sales (completed foreclosures) were down compared to February 2012 with a decrease of 41.9 percent, dropping from 1,248 to 725.

For the first two months of the year combined, foreclosure filings were down 34.5 percent in 2013 compared to the same period last year. There were 3,995 foreclosure filings during the first two months of 2012 and 2,616 during the same period this year.

Foreclosure auction sales were down 31.0 percent comparing the first two months of 2013 versus the same period last year. There were 2,398 foreclosure sales during the first two months of last year and 1,655 during the same period this year.

Filings fell 20.3 percent from January 2013 to February 2013, and auction sales were down 22.0 percent over the same period.

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

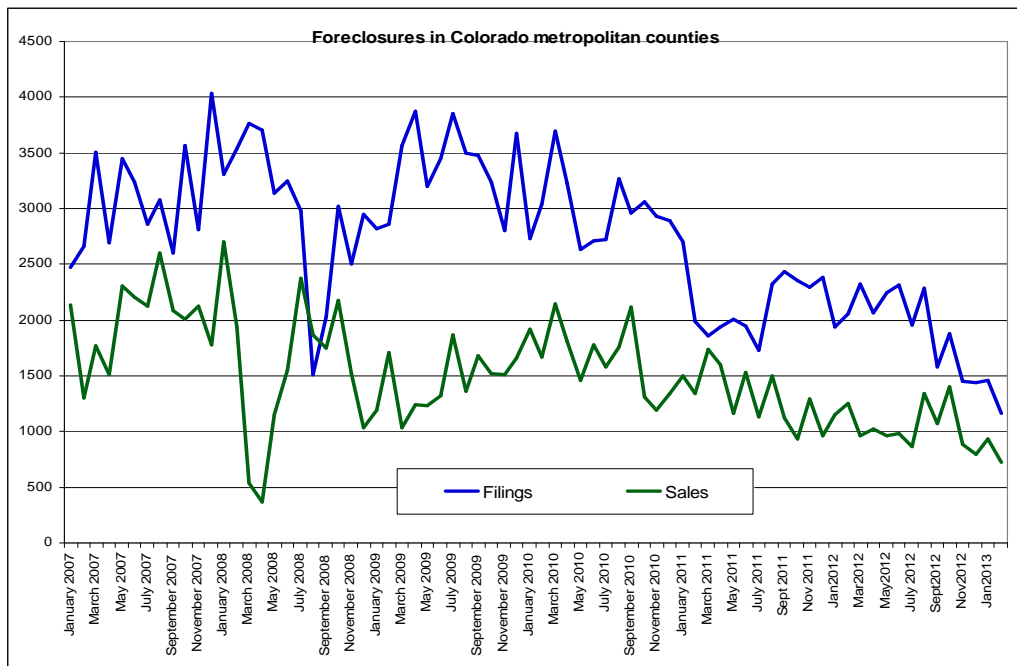
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- February 2013.

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.

As of February 2013, foreclosure filings continue to hit new lows for any month since the survey was first created in 2007.

Graph 1:



Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2007-February 2013.

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

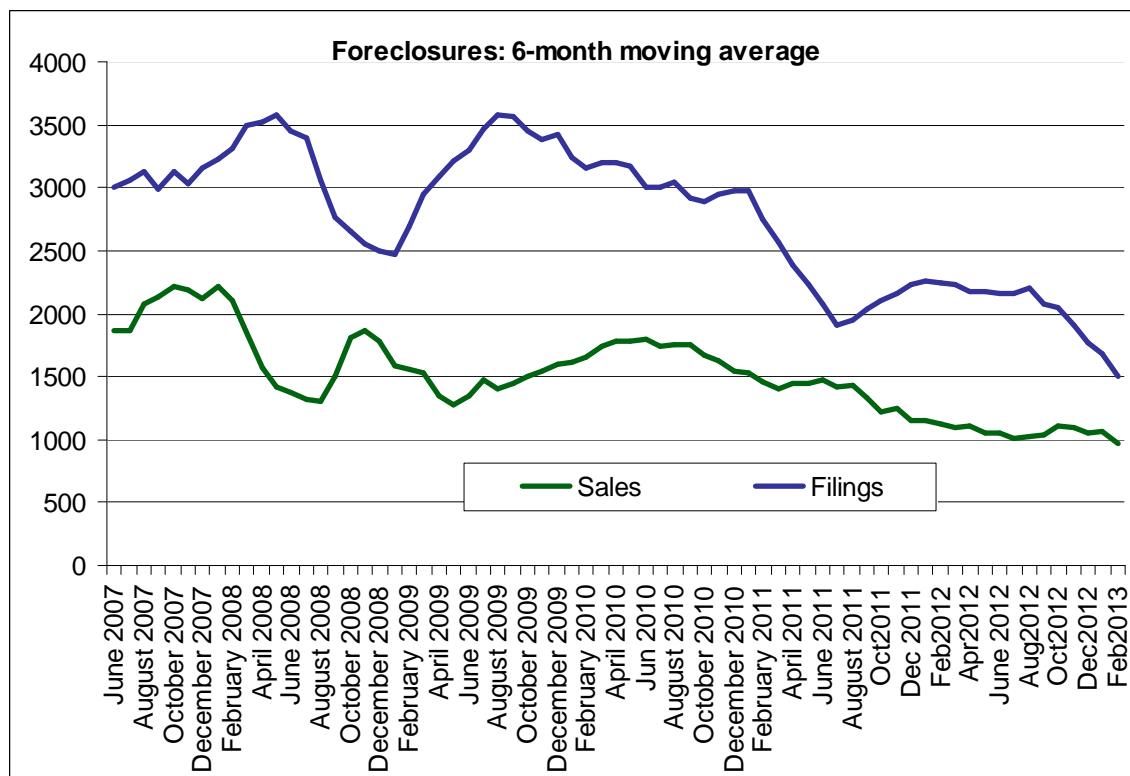
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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.

Since 2011, however, both filings and sales have shown general declines in activity.

Graph 2:



Comparison tables:

Month-over-month comparisons (January 2013 to February 2013):

Table 1: Foreclosure filings

County	January	February	Pct Change from previous month
Adams	173	159	-8.1
Arapahoe	223	147	-34.1
Boulder	41	44	7.3
Broomfield	23	12	-47.8
Denver	204	127	-37.7
Douglas	65	82	26.2
El Paso	214	180	-15.9
Jefferson	186	137	-26.3
Larimer	69	58	-15.9
Mesa	60	60	0.0
Pueblo	68	75	10.3
Weld	130	79	-39.2
Total	1456	1160	-20.3

Table 2: Foreclosure sales

County	January	February	Pct Change from previous month
Adams	128	88	-31.3
Arapahoe	145	98	-32.4
Boulder	30	19	-36.7
Broomfield	11	4	-63.6
Denver	72	79	9.7
Douglas	60	27	-55.0
El Paso	175	131	-25.1
Jefferson	77	80	3.9
Larimer	54	39	-27.8
Mesa	50	57	14.0
Pueblo	60	47	-21.7
Weld	68	56	-17.6
Total	930	725	-22.0

Year-over-year comparisons of February foreclosure activity:

Table 3: Foreclosure filings

County	February	February	Year-over- year percent change
Adams	284	159	-44.0
Arapahoe	319	147	-53.9
Boulder	62	44	-29.0
Broomfield	18	12	-33.3
Denver	265	127	-52.1
Douglas	133	82	-38.3
El Paso	301	180	-40.2
Jefferson	247	137	-44.5
Larimer	116	58	-50.0
Mesa	107	60	-43.9
Pueblo	95	75	-21.1
Weld	109	79	-27.5
Total	2056	1160	-43.6

Table 4: Foreclosure sales

County	February	February	Year-over- year percent change
Adams	180	88	-51.1
Arapahoe	205	98	-52.2
Boulder	44	19	-56.8
Broomfield	10	4	-60.0
Denver	128	79	-38.3
Douglas	75	27	-64.0
El Paso	164	131	-20.1
Jefferson	137	80	-41.6
Larimer	61	39	-36.1
Mesa	82	57	-30.5
Pueblo	73	47	-35.6
Weld	89	56	-37.1
	1248	725	-41.9

Comparison of twelve-month totals ending in current month.

Table 5: Foreclosure Filings

County	12-mo total through February 2012	12- mo total through February 2013	Percent change
Adams	3422	2962	-13.4
Arapahoe	3858	3342	-13.4
Boulder	928	755	-18.6
Broomfield	197	212	7.6
Denver	3380	2861	-15.4
Douglas	1672	1416	-15.3
El Paso	3490	3262	-6.5
Jefferson	2812	2535	-9.9
Larimer	1322	989	-25.2
Mesa	1181	1166	-1.3
Pueblo	1253	1128	-10.0
Weld	1837	1548	-15.7
Total	25352	22176	-12.5

Table 6: Foreclosure Sales

County	12-mo total through February 2012	12- mo total through February 2013	Percent change
Adams	2087	1684	-19.3
Arapahoe	2448	1707	-30.3
Boulder	481	344	-28.5
Broomfield	103	91	-11.7
Denver	2042	1475	-27.8
Douglas	965	639	-33.8
El Paso	2044	1817	-11.1
Jefferson	1607	1226	-23.7
Larimer	758	531	-29.9
Mesa	865	795	-8.1
Pueblo	763	752	-1.4
Weld	1220	879	-28.0
Total	15383	11940	-22.4

Year-to-date totals (January-February of each year)

Table 7: Foreclosure Filings

County	YTD Jan-Feb 2012 Filings	YTD Jan-Feb 2013 Filings	Percent Change from 2011
Adams	552	332	-39.9
Arapahoe	615	370	-39.8
Boulder	119	85	-28.6
Broomfield	33	35	6.1
Denver	534	331	-38.0
Douglas	265	147	-44.5
El Paso	586	394	-32.8
Jefferson	438	323	-26.3
Larimer	216	127	-41.2
Mesa	200	120	-40.0
Pueblo	197	143	-27.4
Weld	240	209	-12.9
Total	3995	2616	-34.5

Table 8: Foreclosure Sales

County	YTD Jan-Feb 2012 Sales	YTD Jan-Feb 2013 Sales	Percent Change from 2011
Adams	343	216	-37.0
Arapahoe	363	243	-33.1
Boulder	77	49	-36.4
Broomfield	20	15	-25.0
Denver	281	151	-46.3
Douglas	139	87	-37.4
El Paso	312	306	-1.9
Jefferson	266	157	-41.0
Larimer	121	93	-23.1
Mesa	159	107	-32.7
Pueblo	134	107	-20.1
Weld	183	124	-32.2
Total	2398	1655	-31.0

Foreclosure sales (completed foreclosure) rates in each county:

February 2013 rates, on the right, are compared with 2012 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.)

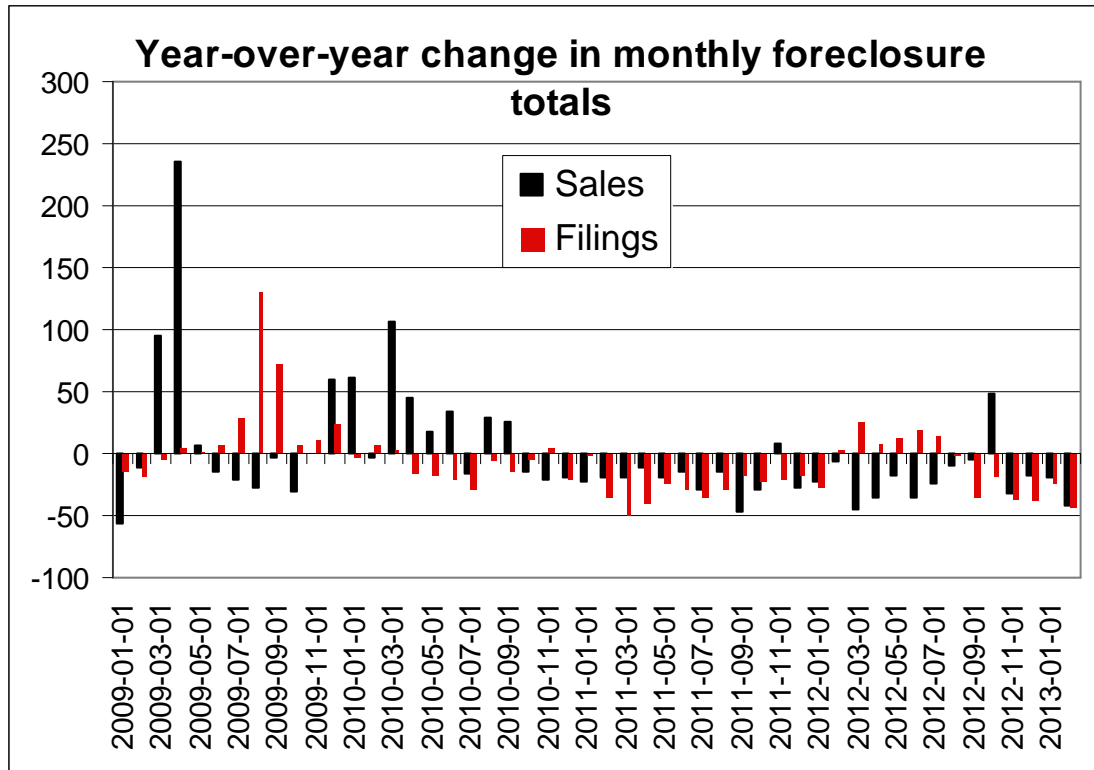
Table 7:

County	February	No. of households per completed foreclosure, 2011	February	No. of households per completed foreclosure, 2012
Adams	180	874	88	1,787
Arapahoe	205	1,117	98	2,337
Boulder	44	2,756	19	6,383
Broomfield	10	2,196	4	5,490
Denver	128	2,128	79	3,448
Douglas	75	1,392	27	3,868
El Paso	164	1,475	131	1,846
Jefferson	137	1,609	80	2,755
Larimer	61	2,010	39	3,144
Mesa	82	711	57	1,022
Pueblo	73	870	47	1,351
Weld	89	1,027	56	1,632
Metro total	1248	1,366	725	2,351

For February 2013, 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 February with filings dropping 43.6 percent and foreclosure auction sales dropping 41.9 percent.

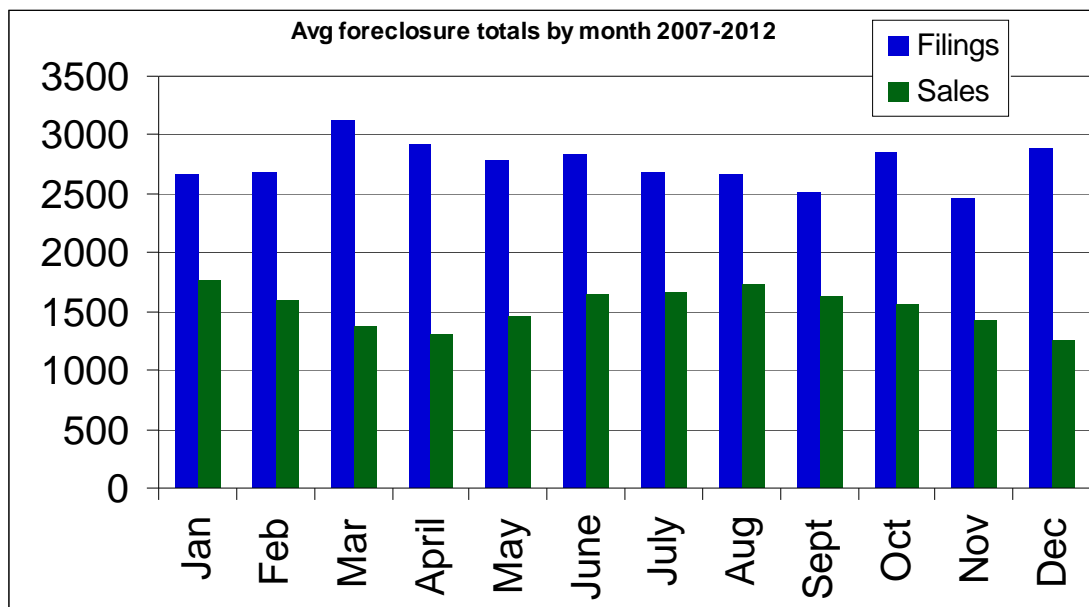
Graph 4:

Appendix: Seasonal Factors

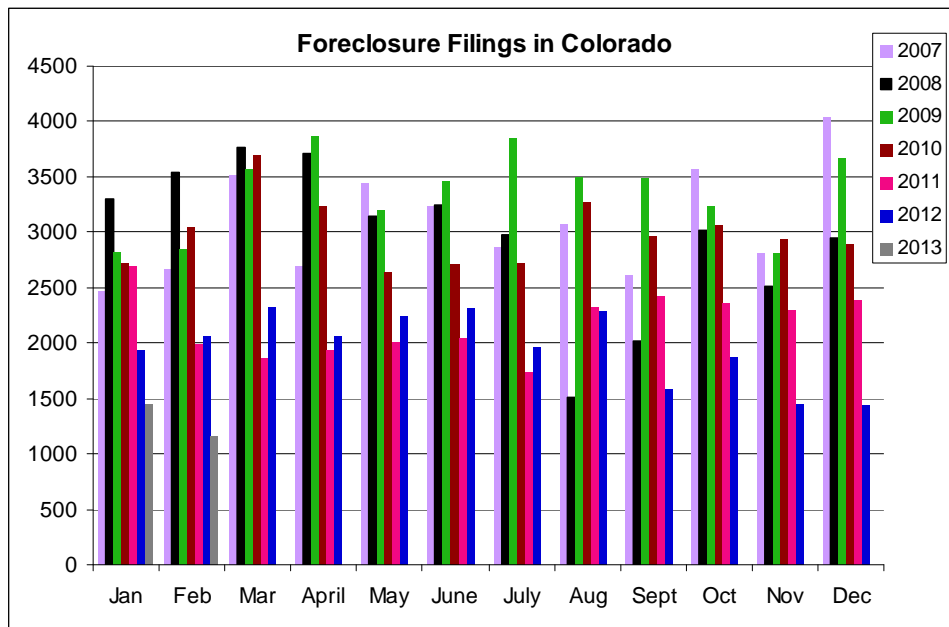
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 2013 filings activity for February was at a seven-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 February 2013 was at a six-year low for the month, and was at the lowest total recorded in any month since 2008.

