

Monthly Metropolitan Foreclosure Report, December 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 December 2013, foreclosure filings were down, year over year, and foreclosure filings remained near the all-time recorded low reported in November 2013. Foreclosure filings inched up from November's low in December. Foreclosure auction sales also inched up slightly in December, but remained near all-time lows.

December 2013 foreclosure filings were down 44.5 percent from December 2012, dropping from 1,445 to 802, year over year.

December 2013 foreclosure sales (completed foreclosures) were down compared to December 2012 with a decrease of 46.3 percent, dropping from 790 to 424, year over year.

For the full year of 2013, foreclosure filings were down 47.5 percent in 2013 compared to 2012. There were 23,555 foreclosure filings during 2012 and 12,376 during 2013.

Foreclosure auction sales were down 42.9 percent from 2012 to 2013. There were 12,683 foreclosure sales during 2012 and 7,236 during 2013.

Filings rose 22.3 percent from November 2013 to December 2013, and auction sales were up 9.8 percent over the same period.

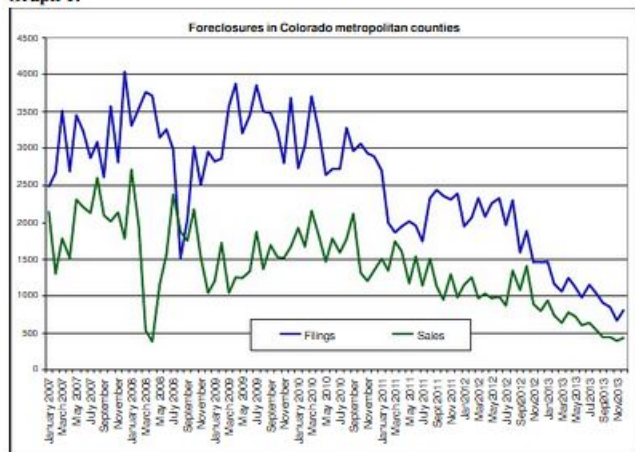
Mesa County reported the highest foreclosure rate during December, while Broomfield County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- December 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 spiked downward. 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. Since 2010, the overall trend in foreclosure sales has been downward.

Graph 1:



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

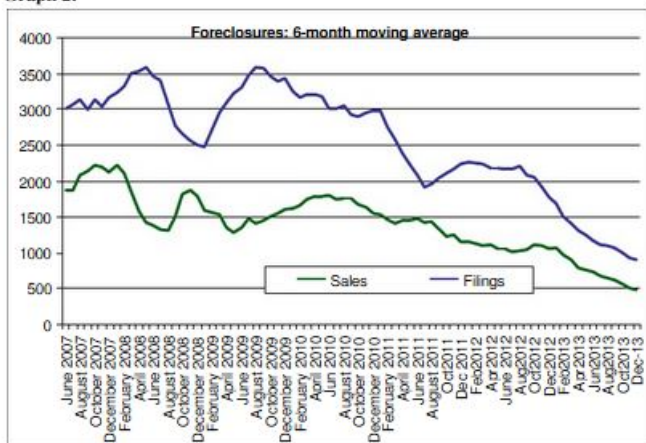
An analysis of a six-month moving average for both filings and sales at auction:

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, and began to fall quickly after early 2013. Foreclosure sales activity has been generally falling since late 2011.

Since 2011, both filings and sales have shown general declines in activity. During November 2013, the moving averages in both foreclosures sales and foreclosure filings were at the lowest level yet recorded.

Graph 2:



Comparison tables:

Month-over-month comparisons (November 2013 to December 2013):

Table 1: Foreclosure filings

County	November	December	Pct Change from previous month
Adams	66	127	92.4
Arapahoe	59	80	35.6
Boulder	18	22	22.2
Broomfield	12	6	-50.0
Denver	93	120	29.0
Douglas	57	51	-10.5
El Paso	100	126	26.0
Jefferson	50	73	46.0
Larimer	24	38	58.3
Mesa	64	56	-12.5
Pueblo	78	62	-20.5
Weld	35	41	17.1
Total	656	802	22.3

Table 2: Foreclosure sales

County	November	December	Pct Change from previous month
Adams	42	75	78.6
Arapahoe	45	64	42.2
Boulder	3	15	400.0
Broomfield	1	1	0.0
Denver	74	62	-16.2
Douglas	25	8	-68.0
El Paso	47	62	31.9
Jefferson	34	38	11.8
Larimer	6	20	233.3
Mesa	33	29	-12.1
Pueblo	48	27	-43.8
Weld	28	23	-17.9
Total	386	424	9.8

Year-over-year comparisons of December foreclosure activity:

Table 3: Foreclosure filings

County	December 2012	December 2013	Year- over-year percent change
Adams	228	127	-44.3
Arapahoe	222	80	-64.0
Boulder	38	22	-42.1
Broomfield	16	6	-62.5
Denver	169	120	-29.0
Douglas	96	51	-46.9
El Paso	230	126	-45.2
Jefferson	140	73	-47.9
Larimer	65	38	-41.5
Mesa	67	56	-16.4
Pueblo	95	62	-34.7
Weld	79	41	-48.1
Total	1445	802	-44.5

Table 4: Foreclosure sales

County	December 2012	December 2013	Year- over-year percent change
Adams	134	75	-44.0
Arapahoe	103	64	-37.9
Boulder	22	15	-31.8
Broomfield	3	1	-66.7
Denver	106	62	-41.5
Douglas	35	8	-77.1
El Paso	126	62	-50.8
Jefferson	87	38	-56.3
Larimer	28	20	-28.6
Mesa	63	29	-54.0
Pueblo	43	27	-37.2
Weld	40	23	-42.5
Total	790	424	-46.3

Annual Total (January-December of each year)

Table 5: Foreclosure Filings

County	YTD Jan-Dec 2012 Filings	YTD Jan-Dec 2013 Filings	Percent Change from 2012
Adams	3182	1636	-48.6
Arapahoe	3587	1700	-52.6
Boulder	789	389	-50.7
Broomfield	210	109	-48.1
Denver	3064	1616	-47.3
Douglas	1534	769	-49.9
El Paso	3454	1861	-46.1
Jefferson	2650	1303	-50.8
Larimer	1078	557	-48.3
Mesa	1246	781	-37.3
Pueblo	1182	835	-29.4
Weld	1579	820	-48.1
Total	23555	12376	-47.5

Table 6: Foreclosure Sales

County	YTD Jan-Dec 2012 Sales	YTD Jan-Dec 2013 Sales	Percent Change from 2012
Adams	1811	963	-46.8
Arapahoe	1827	1000	-45.3
Boulder	372	201	-46.0
Broomfield	96	52	-45.8
Denver	1605	806	-49.8
Douglas	691	344	-50.2
El Paso	1823	1198	-34.3
Jefferson	1335	711	-46.7
Larimer	559	295	-47.2
Mesa	847	564	-33.4
Pueblo	779	577	-25.9
Weld	938	525	-44.0
Total	12683	7236	-42.9

Foreclosure sales (completed foreclosure) rates in each county:

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

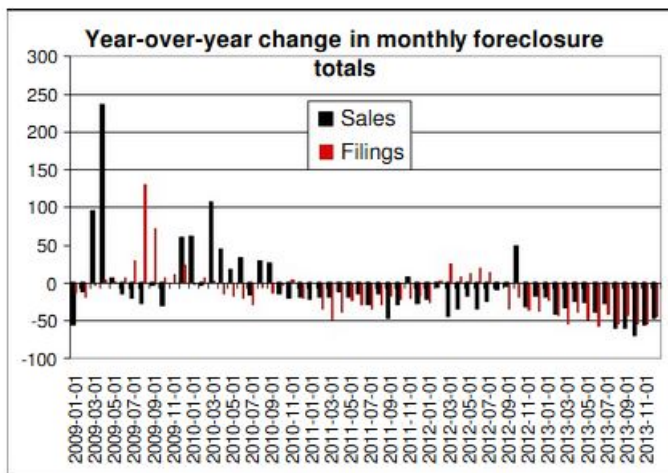
Table 7:

County	December 2012	No. of households per completed foreclosure, 2012	December 2013	No. of households per completed foreclosure, 2013
Adams	134	1,194	75	2,134
Arapahoe	103	2,262	64	3,640
Boulder	22	5,604	15	8,219
Broomfield	3	7,450	1	22,351
Denver	106	2,628	62	4,493
Douglas	35	3,044	8	13,318
El Paso	126	1,946	62	3,955
Jefferson	87	2,565	38	5,874
Larimer	28	4,457	20	6,239
Mesa	63	927	29	2,013
Pueblo	43	1,481	27	2,358
Weld	40	2,332	23	4,056
Metro total	790	2,193	424	4,086

For December 2013, the highest foreclosure rate was found in Mesa County, and the lowest rate was found in Broomfield County.

Appendix: Additional Analysis

Graph 3:



Both foreclosure filings and foreclosure sales showed solid declines, year over year, during December with filings dropping 44.5 percent and foreclosure auction sales dropping 46.3 percent.

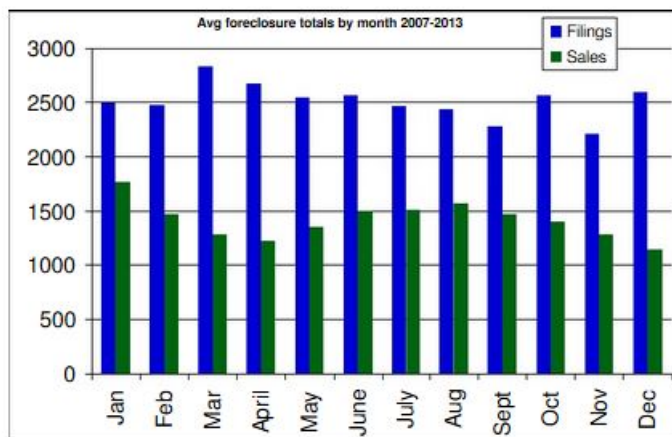
Graph 4:

Appendix: Seasonal Factors

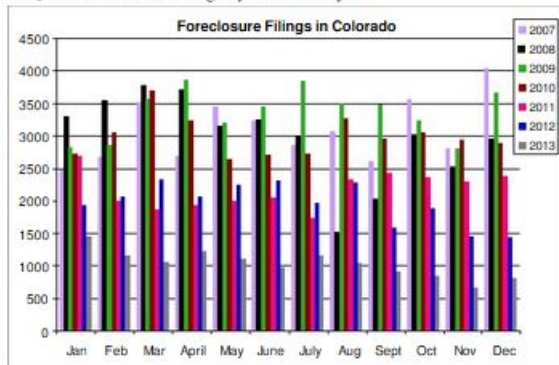
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

Although we only have seven 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 December was at the lowest level recorded in any December since the survey was initiated in 2007. Filings were up slightly from the all-time recorded low reported during November 2013.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during December 2013 was at the lowest December total recorded, and was at a seven-year low for the month. Only April 2008 and November 2013 show a lower number of foreclosure sales for any month recorded.

