

# Foreclosure rates in flux

BY CARI MERRILL

For Loveland Connection

The news is mixed when it comes to the latest foreclosure numbers for Larimer County.

While the county saw a 19 percent drop in foreclosure sales for the first nine months of 2008 compared to the same time last year, foreclosure filings increased 14 percent, well surpassing the state's filing increase of 3 percent. That means more people are filing for foreclosure but fewer people are losing their homes through foreclosure sales.

Loveland real estate broker **Billie Jo Downing** said she thinks the higher rate of filings is in response to the excess of new construction on the market that has fallen into foreclosure, thus inflating the number.

Colorado was fifth nationally on the list of foreclosures in October; up from 10th in September, according to a recent Realty-Track Inc. report.

According to the most recent foreclosure report from the Colorado Division of Housing released Thursday, Larimer County's foreclosure filings increased from 1,106 filings from January to September 2007 to 1,266 filings for the first nine months of 2008.

"In my opinion, we're probably overbuilt and overpriced in our con-

## Sales drop, but filing increase

struction," Downing said. In addition to an excess of product on the market, appraised value of new construction is more than the market value.

"If you took a new construction home at \$250,000 two years ago, even though the price held steady, that segment of the market is overpriced and that segment has experienced a decrease in value. That same house could be \$210,000 right now.

"That segment of houses has skewed our numbers," she said of the new construction boom.

But the county's situation is starting to improve.

"We've been working on this for awhile and it's starting to get better," she said. "There is basically very little new inventory going up, and we're cycling through our existing inventory."

More encouraging news is seen in the drop in the number of foreclosure sales from the first nine months of 2007 compared to the first three quarters of this year.

The county recorded 615 foreclosure sales so far this year compared to 763 sales in 2007, a 19 percent drop.

Officials note that part of the decrease in sales can be attributed to The Colorado Foreclosure

Hotline, which helped almost 4,000 households so far in 2008.

"We jumped on this problem way ahead of the rest of the organizations," said **Mike Rosser**, a retired lender who sits on the Colorado Foreclosure Prevention Task Force. "We're making gains."

In Larimer County, there was one foreclosure sale for every 181 households.

The Division of Housing focused its report more on the first three quarters of 2008 rather than just the third quarter because changes in foreclosure laws that took effect in January and August skewed data.

On Jan. 1, foreclosure laws changed, giving homeowners more time to bring their loans current.

In August, another change to the foreclosure laws required lenders to send homeowners a notice of default and wait 30 days to file foreclosure.

That delay in filing, which began in August, led to an artificially low number of filings, said **Ryan McMaken**, community relations director at the Colorado Division of Housing.

Comparing the third quarters would give a false impression of the market, he said.

While foreclosure filings

specifically in the third quarter totaled 346 — down from 370 filings in the third quarter of 2007 — Larimer County sales totaled 242 compared to 215 sales in third quarter 2007.

Statewide, total foreclosures are expected to be down overall this year — 13 percent — according to the report.

Statewide there were 14 percent fewer completed foreclosures during the first three quarters of the year compared to the same time period in 2007, leading officials to be optimistic for the future.

"Two-thousand and six and 2007 saw big increases in foreclosure filings of 30 (percent) and 40 percent, so a 14 percent decrease so far this year makes us cautiously optimistic about the future," **Kathi Williams**, director of the Colorado Division of Housing, said in a statement. "There are still many reasons for concern, but this is good news."

Looking forward to the final estimated count for 2008, another 6,000 foreclosure sales are expected, totaling 22,000.

Foreclosure filings haven't been that low since 2005.

"I think we're going to be OK," Downing said about looking into next year. "We have an employment base and quality of life and things that make for a good community."

## Volunteers sought for county fair, ag boards

Loveland Connection staff

Residents may apply for vacancies on the Larimer County Agriculture Advisory Board and Fair Board by Dec. 19.

The Larimer County Agriculture Advisory Board advises the County

Commissioners about issues that affect production agriculture and agribusiness locally.

The Larimer County Fair Board organizes and coordinates the annual County Fair and advises the County Commissioners about

fair-related issues.

People interested in applying may do so online at [www.larimer.org/boards](http://www.larimer.org/boards) or obtain an application at a Larimer County office.

For more information, call 498-7015.