

# We take house calls

**A**s widely reported in the media, new foreclosure filings in the first nine months of 2013 – 12,341 – were down 46 percent from the same months of 2012 – at 22,894, according to Colorado Division of Housing numbers.

Foreclosure auction sales (completed foreclosures) also fell significantly over the same period, dropping 36.9 percent – to 7,667 – in the first nine months of 2013 from 12,143 in the same months of 2012.

## 2012-2013 Annual Report



Attorney General John Suthers

The numbers show us two trends:

- The recovery continues and is strong.
- On average, each month more than 1,350 homeowners were at risk of losing their homes.

That number represents real people, Colorado citizens – homeowners – who could benefit from the help of the Foreclosure Hotline. Those homeowners are the reasons funding continues for the Hotline.

Indeed, the Colorado Foreclosure Hotline continues to be the best resource available for homeowners facing foreclosure. The Hotline has a proven record of helping homeowners in distress assess their options and make an informed choice.

Homeowners who contact the Colorado Foreclosure Hotline to receive help stand a much better chance of saving their home than those who go it alone. The Hotline is an immediate resource that distressed borrowers may call to receive counseling from nonprofit, HUD-approved housing counselors. And Hotline services are always free because of funding from settlements between large banks and my office.

Through those mortgage settlements, the top banks have committed to new servicing standards and to doing a better job helping homeowners avoid foreclosure.

A lot has changed in the industry since 2006. Today there are more rules, regulations and oversight. We have established many new practices, timelines and requirements ... all in favor of the consumer.

As the crisis evolved, more complex homeownership workouts and resolutions came about to benefit homeowners. Many of these workout options are more complex than ever.

In years passed, there were one or two very simple foreclosure-prevention options. Today, it's a several-page modification agreement that homeowners may not understand. Now more than ever, HUD-approved housing counselors can provide much-needed understanding of the various programs that exist and explanation of the complex structure of workout options.

And while services have pushed to improve their communication with homeowners and to resolve miscommunication, missing documents, appeals and process flow, there are still some issues – such as when a homeowner file stalls or the foreclosure is continually on hold – that housing counselors can help shepherd the homeowner through the system.

In the coming 18 months, I look forward to the continuing success of the Foreclosure Hotline and hope that we continue to reduce that number of Colorado homeowners at risk of losing their homes.

Sincerely,  
*John Suthers, Colorado Attorney General*

# Hotline passes unexpected milestone

The Colorado Foreclosure Hotline reached a milestone that its founders never would have imagined possible. The numbers are in for the seventh year of a program that was only expected to last two years.

The milestone: The Hotline network has met with more than 50,000 homeowners who faced foreclosure. When the Hotline began taking calls in October 2006, the worst-case scenario estimate was 1,500 calls a month for a two-year period.

Call volume peaked at 4,500-plus calls in February 2009. In fact, 2013 was the first year the Hotline monthly call volume was consistently less than the original worst-case estimate.

First seven years by the numbers:

- Calls received by the network of agencies through September 2013: 172,541
- People counseled through September: 50,695

The Hotline is a network of more than 20 HUD-approved housing-counseling agencies across the state.

Throughout the seven years, the success rate has been steady. Four of five homeowners who received counseling were able to avoid foreclosure.

Of the homeowners who avoided foreclosure, 84 percent saved or retained their home, and 16 percent were able to "liquidate" their home through a traditional sale, pre-foreclosure short sale or "deed-in-lieu" when the bank accepts the deed to nullify the mortgage



*Housing counselors from Hotline partner agencies participate in a televised call center. The outreach was one part of an awareness campaign funded by the Attorney General's Office. Other campaign elements include video interviews with several Hotline clients, fliers, advertising on buses and four-foot red houses placed in high-traffic public buildings across the state.*

loan, according to Hotline Director Shannon Peer.

In November, Division of Housing Economist Ryan McMaken noted that foreclosures had dropped to 2004 levels.

At year end, there were 8,865 current, active foreclosures in Colorado, according to RENAV Web site updated in January. Each of those foreclosures was at some point along the seven- to eight-month timeline for a Colorado foreclosure.

The foreclosure process begins with the posting of the Notice of Election Demand.

"We are seeing fewer homeowners calling the Hotline who are current on their mortgages," Peer said. "The trend is that callers are further behind in their mortgage payments. We want to continue to help those who still struggle to make their payments.

"The single largest referral source that prompts homeowners to call the continues to be the 90-day foreclosure deferment notice that is posted on the homeowner's door," he said.

"We are gratified to see we've made our way through the foreclosure crisis," Peer said. "Now we also want to help anchor a stable market with fewer foreclosures."

In the seven years the Hotline has existed, "we as housing counselors and the Attorney General's office have received much better cooperation from the servicers (banks). Servicing standards have improved and homeowners are working better with the banks.

To reach the Colorado Foreclosure Hotline, call 1-877-601-4673. To learn more about the work of the Hotline, go to [coloradoforeclosurehotline.org](http://coloradoforeclosurehotline.org).

## Colorado Foreclosure Hotline 2013 Sponsors





# Network on call to help as needs arise

## Cooperative effort developed flood resources for homeowners through housing counselors

As one housing crisis wound down, another came rushing in. In September, the widespread flooding of historic proportions brought an entirely new set of challenges for many Colorado homeowners.

Staffers of the Hotline, Colorado Housing and Finance Authority, the Attorney General's office and our Hotline Network partner agencies worked together to compile and, in some cases, create resources to help those affected by the what was called a 100-year flood.

Gov. John Hickenlooper declared 24 Colorado counties as disaster areas.

A comprehensive list of flood resources was posted on the Colorado Hotline Web site so our network of HUD-approved counseling agencies across the state had access to essential information to share with homeowners in their regions.

Content was organized by topic in four lists: News, Housing resources; Emergency support; and Bank / financial services. Hotline staffers made updates as new resources were available.

In what became a great cooperative effort to help fellow Coloradans, financial institutions, government agencies and professional organizations worked to provide helpful resources.

Across the state, the floods killed nine people and damaged or destroyed as many as 2,000 homes. It washed out hundreds of miles of roads and left many small mountain towns completely cut off. The flooding caused damage across nearly 2,000 square miles as flood waters spread out, inundating communities and agricultural land on the eastern plains.



Bilingual housing counselor German Zarate (top photo, right) speaks to the Spanish-speaking KBNO Radio audience. Bottom photo, staffers spread the Hotline message through a community outreach event.

## Colorado Foreclosure Hotline Network Partners

Adams County Housing Authority  
Boulder County Housing and Human Services  
Boulder County Housing and Human Services – Longmont  
Brothers Redevelopment, Inc.  
City of Aurora – Community Development  
Colorado Housing Assistance Corporation  
Community Resources and Housing Development Corporation – Alamosa  
Community Resources and Housing development Corporation – Westminster

Consumer Credit Counseling Services of Southern Colorado – Colorado Springs  
Del Norte Neighborhood Development Corporation  
Denver Housing Authority  
Douglas County Housing Partnership  
Family & Intercultural Resource Center  
Grand Junction Housing Authority  
Greenpath, Inc.  
Housing Solutions for the Southwest  
Neighbor to Neighbor – Fort Collins  
Neighbor to Neighbor – Loveland

NeighborWorks of Pueblo  
NEWSED Community Development Corporation  
Northeast Colorado Housing, Inc.  
Northeast Denver Housing Center  
Southwest Improvement Council  
Tri County Housing and Community Development Corporation  
Upper Arkansas Area Council of Government (Central Colorado Housing)

# Foreclosure Hotline by the numbers

## Housing Counseling Outcomes

Currently receiving counseling	39%
Mortgage modified	14%
Other	6%
Brought mortgage current	6%
Initiated forbearance /repayment plan	5%
Mortgage foreclosed	5%
Withdrew from counseling	5%
Pre-foreclosure sale	4%
Bankruptcy	3%
Partial claim (FHA lender)	2%
Sold property	2%
Referred to other agency	2%
Entered debt management	2%
Referred for legal assistance	2%
Mortgage refinanced	1%
Received second mortgage	0%
Executed a deed-in-lieu	0%

## Top 10 Zip Codes for Call Volume

Zip	#	City	County
80013	230	Aurora	Arapahoe
80249	134	Denver	Denver
80017	127	Aurora	Arapahoe
80239	115	Denver	Denver
80022	102	Commerce City	Adams
80229	88	Denver	Adams
80015	71	Aurora	Arapahoe
80219	67	Denver	Denver
80020	67	Broomfield	Broomfield
80221	63	Denver	Adams

## Percent of callers counseled increases

While the number of calls to the Hotline continues to decline over the years, the less obvious success story is that the Hotline network of counseling agencies counsel an increasing percentage of the callers each year. In 2008-09, 22 percent of callers became default-mortgage counseling clients. That number in 2009-10: 26 percent; 2010-11, 33 percent, 2011-12, 53 percent and in 2012-13, 69 percent of all callers became default-mortgage counseling clients.

Through the years the ratio continues to hold true: Four out of five homeowners who met with a Colorado Foreclosure Housing Counselor successfully avoided foreclosure.

