

MAINE STATE LEGISLATURE

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STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION
35 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0035

Paul R. LePage
GOVERNOR

William N. Lund
SUPERINTENDENT

TO: Joint Standing Committee on Insurance and Financial Services

FROM: William N. Lund, Superintendent
Bureau of Consumer Credit Protection

RE: Foreclosure Assistance and Referral Program – 31st Periodic Report
(Covering period July 1, 2017 – September 30, 2017)

DATE: December 8, 2017

INTRODUCTION

Title 14 M.R.S. § 6111 requires mortgage lenders and/or servicers to provide a “notice of right to cure” (also referred to herein as a “default notice”) to any homeowner in default, prior to commencing a foreclosure action in court. The section further requires the lender and/or servicer to notify the Bureau of Consumer Credit Protection of each homeowner’s name and address, so the Bureau can mail an informational letter to the homeowner, advising the homeowner of the availability of state resources to assist the homeowner with the pre-foreclosure and foreclosure process.

Title 14 M.R.S. § 6111(3-B) requires the Bureau to draft a quarterly report to the Joint Standing Committee on Insurance and Financial Services (I&FS) listing the number of default notices sent to Maine residents by their lenders or servicers. In addition, each report provides information on what types of creditors are initiating foreclosures in Maine, including those actions filed by national banks, non-bank mortgage companies and investment trusts, as well as statistics on the foreclosure activity of state-chartered banks, using statistics provided by Maine’s Bureau of Financial Institutions.



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DEFAULT NOTICES MAILED TO HOMEOWNERS

The following chart shows the number and breakdown of default notices filed by different types of creditors in the last quarter.

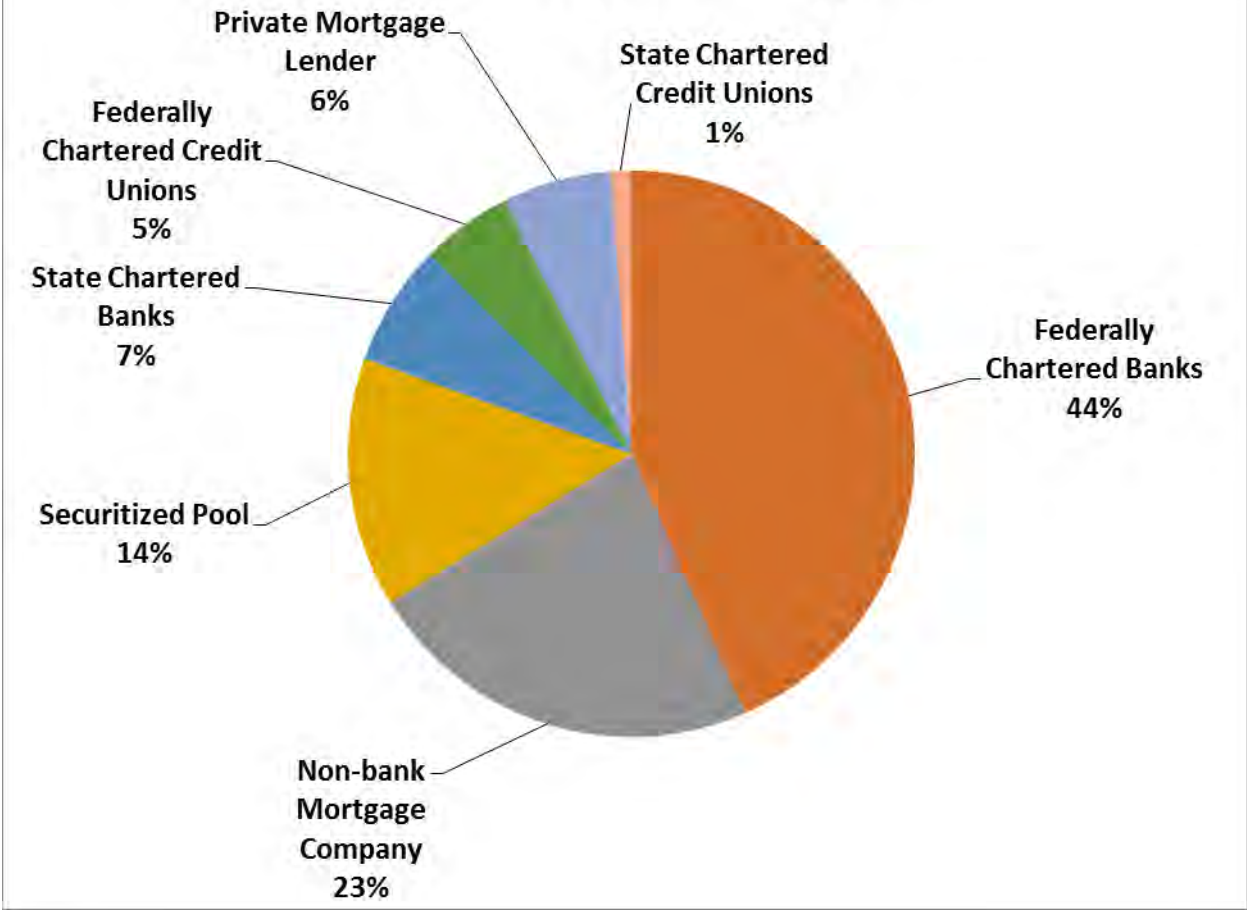
Type	Jul-17	Aug-17	Sep-17		Total
Federally Chartered Banks	701	758	634		2093
Non-bank Mortgage Company	361	347	390		1098
Securitized Pool	222	323	142		687
State Chartered Banks	106	129	100		335
Federally Chartered Credit Unions	100	96	54		250
Private Mortgage Lender	94	128	79		301
State Chartered Credit Unions	29	9	18		56
Total:	1613	1790	1417		4,820

The following chart shows the number of default notices filed by county for the quarter.

County	Jul-17	Aug-17	Sep-17
Androscoggin	143	133	124
Aroostook	58	91	49
Cumberland	252	282	223
Franklin	40	40	24
Hancock	44	45	35
Kennebec	163	163	149
Knox	39	63	28
Lincoln	53	61	43
Oxford	101	76	82
Penobscot	152	192	191
Piscataquis	22	42	16
Sagadahoc	59	86	83
Somerset	89	86	52
Waldo	41	53	44
Washington	49	51	44
York	308	326	230
Total	1613	1790	1417

The pie chart which follows illustrates graphically the breakdown of notices filed by each type of lender.

Q3 2017 Notice by Owner Type



The number of default notices being mailed peaked in late 2010 at over 5,500 per month, remained in the 4,000-per-month range 2012 to 2014, and have been dropping since, to the current level of approximately 1,600 per month.

FORECLOSURE CASES FILED IN COURT

The following chart shows the total number of foreclosure cases filed in court in the last year by quarter as well as a breakdown of the number filed in each court in the state.

Region/Court	4th Qtr Oct- Dec 2016	1st Qtr Jan- Mar 2017	2nd Qtr Apr- Jun 2017	3rd Qtr Jul- Sep 2017	TOTAL
STATEWIDE TOTAL	590	625	589	638	2442
Alfred Superior Court	14	12	19	25	70
York District Court	21	8	10	15	54
Biddeford District Court	31	20	22	24	97
Springvale District Court	40	38	42	31	151
Region 1 Subtotal	106	78	93	95	372
Portland Superior Court	56	56	64	56	232
Bridgton District Court	22	19	26	25	92
Portland District Court	0	0	1	0	1
Region 2 Subtotal	78	75	91	81	325
South Paris Superior Court	5	11	8	8	32
Auburn Superior Court	16	13	17	24	70
Farmington Superior Court	2	2	2	4	10
Lewiston District Court	45	52	46	41	184
Farmington District Court	8	21	11	8	48
Rumford District Court	9	10	13	9	41
Livermore Falls District Court	0	0	0	0	0
South Paris District Court	15	15	10	13	53
Region 3 Subtotal	100	124	107	107	438

Skowhegan Superior Court	8	8	7	8	31
Augusta Superior Court	14	17	21	23	75
Skowhegan District Court	21	19	24	31	95
Waterville District Court	14	24	17	18	73
Augusta District Court	24	26	22	22	94
Region 4 Subtotal	81	94	91	102	368
Dover Foxcroft Superior Court	3	3	2	3	11
Bangor Superior Court	23	21	27	22	93
Millinocket District Court	0	0	0	0	0
Dover Foxcroft District Court	8	17	5	12	42
Lincoln District Court	5	10	18	7	40
Newport District Court	9	13	11	20	53
Bangor District Court	52	40	32	44	168
Region 5 Subtotal	100	104	95	108	407
Wiscasset Superior Court	1	4	3	6	14
Bath Superior Court	0	5	2	2	9
Rockland Superior Court	1	2	2	10	15
Belfast Superior Court	4	5	3	3	15
Belfast District Court	14	7	12	18	51
Wiscasset District Court	12	14	11	12	49
West Bath District Court	17	11	14	17	59
Rockland District Court	10	18	10	17	55
Region 6 Subtotal	59	66	57	85	267
Machias Superior Court	4	4	3	1	12
Ellsworth Superior Court	3	5	4	5	17
Bar Harbor District Court	0	0	0	0	0
Machias District Court	10	6	8	8	32
Calais District Court	5	2	2	1	10

Ellsworth District Court	12	27	18	14	71
Region 7 Subtotal	34	44	35	29	142
Houlton Superior Court	4	6	1	5	16
Caribou Superior Court	19	18	16	22	75
Caribou District Court	5	6	0	1	12
Houlton District Court	1	3	1	1	6
Madawaska District Court	0	0	0	0	0
Fort Kent District Court	1	3	1	2	7
Presque Isle District Court	2	4	1	0	7
Region 8 Subtotal	32	40	20	31	123

As the chart illustrates, the number of cases filed in court by quarter over the last year has remained stable.

INFORMATION FROM OTHER SOURCES

Loan Performance Insights for August, 2017, a publication by Corelogic, a global property information and analytics company, contained the following information regarding mortgage defaults nationwide:

“Measuring early-stage delinquency rates is important for analyzing the health of the mortgage market. To more comprehensively monitor mortgage performance, CoreLogic examines all stages of delinquency as well as transition rates that indicate the percent of mortgages moving from one stage of delinquency to the next.

“The 30-plus delinquency rate, the most comprehensive measure of mortgage performance, is near a 10-year low. The share of mortgages that transitioned from current to 30-days past due was 0.9 percent in August 2017, unchanged from August 2016.

“By comparison, in January 2007, just before the start of the financial crisis, the current-to-30-day transition rate was 1.2 percent and peaked in November 2008 at 2 percent.”

The report states that Maine's number of mortgages 30 days or more in arrears was 5.7%, down 0.7% from August of 2016. Similarly, Maine's 90 day plus arrears rate was 3.1% in August of 2017, down 0.5% from a year earlier. The percentage of mortgages in foreclosure in Maine in August of 2017 had dropped from 1.7% in August of 2016 to 1.4%.

COUNSELOR ACTIVITY

The Bureau directly assigned 93 households to counselors for assistance because of calls received on the "Foreclosure Hotline" 1-888-664-2569 (1-888-NO-4-CLÖZ). An additional 24 homeowners contacted counselors directly as the result of receiving the foreclosure outreach packets mailed by the Bureau. Counselors also took on cases for 91 other homeowners based on referrals from other sources such as person-to-person referrals, U. S. Senate or Congressional Offices, State Senators and Representatives, and other government agencies.

The efforts of counselors under contract to the Bureau resulted in 31 homeowners being able to remain in their homes. Three homeowners refinanced their homes, 24 homeowners received loan modifications, and one family entered into a forbearance/repayment program.

An additional six homeowners were assisted in making an orderly and less-damaging exit from their homes. One family sold their home and satisfied the mortgage; two transferred the home to the lender under a deed-in-lieu agreement, and three homeowners sold their homes through short sales, a process in which the lender acknowledges that the home is worth less than what is owed on the mortgage and allows the home to be sold for at or near its current value. In most (but not all) short sales, the lender agrees in advance not to pursue any deficiency balance after the property is sold or auctioned off.