

# 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: Senator Geoffrey M. Gratwick, Chair  
Representative Sharon Anglin Treat, Chair  
Joint Standing Committee on Insurance and Financial Services**

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

**Re: Seventeenth Periodic Report on the Bureau's Foreclosure Diversion Program**

**Date: May 14, 2014**

### MANDATE

Title 14 M.R.S. § 6111 requires mortgage lenders or servicers to send a document called a “notice of right to cure default” to any homeowner who is in arrears, prior to the lender or servicer commencing a civil foreclosure action in court. The section further requires the lender or servicer to notify the Maine Bureau of Consumer Credit Protection of the name and address of each Maine resident to whom such a notice is sent. The Bureau, in turn, mails a letter to the homeowner, inviting the homeowner to either contact the Bureau staff to enter the state’s no-cost counseling program, or to reach out directly to counselors whose names are listed in the information provided.

Title 14 M.R.S. § 6111(3-B) requires the Bureau to report to this Committee based on the following statutory language:

**3-B. Report.** *On a quarterly basis, the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection shall report to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on the number of notices [of homeowners in default] received pursuant to subsection 3-A. To the extent information is available, the report must also include information on the number of foreclosure filings based on data collected from the court and the Department of Professional and Financial Regulation, Bureau of Financial Institutions and on the types of lenders that are filing foreclosures.*



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## NUMBERS OF DEFAULT NOTICES SENT

During the first three months of 2014, the Bureau mailed a total of 10,438 informational letters to homeowners whose lenders had sent notices of default and right to cure to those individuals. A year earlier, in the same three-month period from January through March, 2013, the Bureau mailed 10,924 informational letters. Based on these figures, the Bureau has not seen a significant decrease in mortgage defaults in 2014 compared to 2013.

The chart on the following page breaks down the number of notices of right to cure by county. As in prior years, York, Cumberland and Penobscot Counties experienced the most activity.

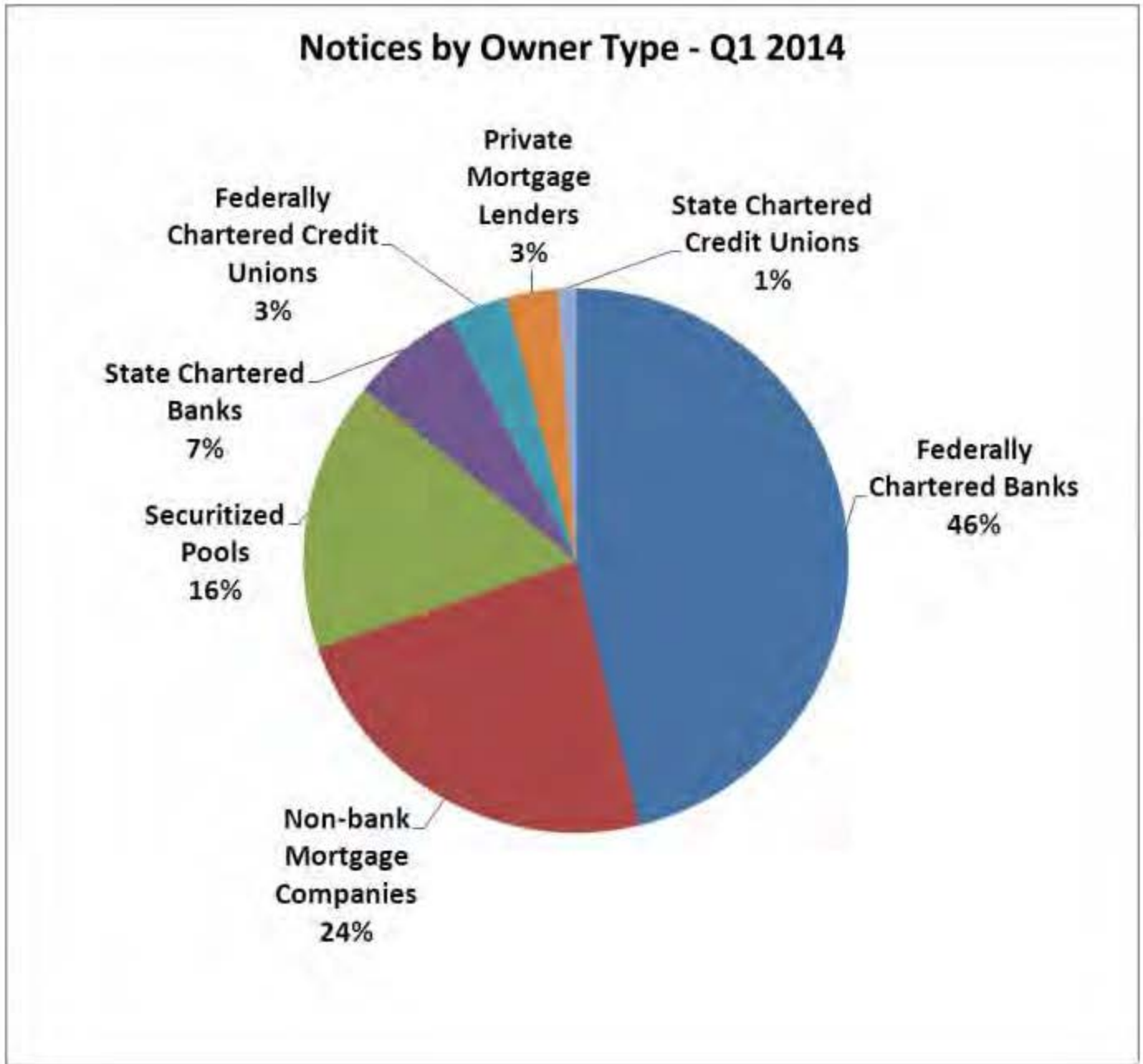
<b>County</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>
<b>Androscoggin</b>	348	295	260
<b>Aroostook</b>	159	144	131
<b>Cumberland</b>	721	645	560
<b>Franklin</b>	97	58	75
<b>Hancock</b>	134	89	69
<b>Kennebec</b>	417	395	299
<b>Knox</b>	104	117	72
<b>Lincoln</b>	139	95	86
<b>Oxford</b>	224	176	150
<b>Penobscot</b>	452	341	297
<b>Piscataquis</b>	71	35	52
<b>Sagadahoc</b>	180	165	105
<b>Somerset</b>	132	115	112
<b>Waldo</b>	100	89	75
<b>Washington</b>	99	70	65
<b>York</b>	755	552	517
<b>Total</b>	4132	3381	2925

## TYPES OF LENDERS NOTIFYING MAINE HOMEOWNERS OF MORTGAGE DEFAULTS

The following chart shows the types of lenders filing default notices with the Bureau, and the numbers of such filings:

<b>Type</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>
<b>Federally Chartered Banks</b>	1857	1737	1232
<b>Non-bank Mortgage Companies</b>	995	775	689
<b>Securitized Pools</b>	706	439	526
<b>State Chartered Banks</b>	262	193	230
<b>Private Mortgage Lenders</b>	104	105	114
<b>Federally Chartered Credit Unions</b>	160	112	94
<b>State Chartered Credit Unions</b>	48	20	40
<b>Total:</b>	4132	3381	2925

The following chart illustrates the percentages of default notices by lender type:



### FORECLOSURE ACTIONS FILED IN COURT

The chart on the following pages shows the number and distribution of foreclosure cases filed in court statewide. The chart shows that 1136 foreclosure cases were filed during the first quarter of 2014, compared to 1101 during the same period in 2013, again demonstrating no appreciable change from last year to this year.

<b>Region/Court</b>	<b>2nd Qtr Apr – Jun 2013</b>	<b>3rd Qtr Jul – Sept 2013</b>	<b>4th Qtr Oct – Dec 2013</b>	<b>1st Qtr Jan – Mar 2014</b>	<b>TOTAL</b>
<b>STATEWIDE TOTAL</b>	<b>1211</b>	<b>1080</b>	<b>1315</b>	<b>1136</b>	<b>4742</b>
Alfred Superior Court	39	26	36	40	141
York District Court	28	17	32	23	100
Biddeford District Court	47	64	77	51	239
Springvale District Court	91	71	112	82	356
<b>Region 1 Subtotal</b>	<b>205</b>	<b>178</b>	<b>257</b>	<b>196</b>	<b>836</b>
Portland Superior Court	50	42	77	67	236
Bridgton District Court	42	51	61	56	210
Portland District Court	94	88	89	50	321
<b>Region 2 Subtotal</b>	<b>186</b>	<b>181</b>	<b>227</b>	<b>173</b>	<b>767</b>
South Paris Superior Court	16	18	12	12	58
Auburn Superior Court	43	39	30	55	167
Farmington Superior Court	6	9	8	4	27
Lewiston District Court	65	71	82	77	295
Farmington District Court	25	16	19	20	80
Rumford District Court	19	19	24	14	76
Livermore Falls District Court	0	0	0	0	0
South Paris District Court	19	21	18	26	84
<b>Region 3 Subtotal</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>208</b>	<b>787</b>
Skowhegan Superior Court	10	9	15	5	39
Augusta Superior Court	15	11	23	16	65
Skowhegan District Court	38	39	47	46	170
Waterville District Court	39	38	49	40	166
Augusta District Court	62	41	58	65	226
<b>Region 4 Subtotal</b>	<b>164</b>	<b>138</b>	<b>192</b>	<b>172</b>	<b>666</b>
Dover-Foxcroft Superior Court	1	4	1	5	11
Bangor Superior Court	47	24	52	41	164
Millinocket District Court	0	0	0	0	0
Dover-Foxcroft District Court	18	10	23	23	74
Lincoln District Court	21	22	14	8	139
Newport District Court	27	36	23	26	112
Bangor District Court	61	72	74	64	271
<b>Region 5 Subtotal</b>	<b>175</b>	<b>168</b>	<b>187</b>	<b>167</b>	<b>771</b>
Wiscasset Superior Court	9	10	8	6	33
Bath Superior Court	8	2	7	8	25
Rockland Superior Court	10	6	5	5	26
Belfast Superior Court	11	3	6	9	29
Belfast District Court	38	32	43	28	141
Wiscasset District Court	31	9	28	19	87
West Bath District Court	35	35	45	34	149
Rockland District Court	14	28	13	25	80
<b>Region 6 Subtotal</b>	<b>156</b>	<b>125</b>	<b>155</b>	<b>134</b>	<b>570</b>
Machias Superior Court	6	4	5	7	22
Ellsworth Superior Court	18	7	3	4	32
Bar Harbor District Court	0	0	0	0	0
Machias District Court	16	11	16	7	50
Calais District Court	13	10	11	3	37
Ellsworth District Court	28	21	27	26	102
<b>Region 7 Subtotal</b>	<b>81</b>	<b>53</b>	<b>62</b>	<b>47</b>	<b>243</b>

<b>Region/Court</b>	<b>2nd Qtr Apr – Jun 2013</b>	<b>3rd Qtr Jul - Sept 2013</b>	<b>4th Qtr Oct - Dec 2013</b>	<b>1st Qtr Jan - Mar 2014</b>	<b>TOTAL</b>
Houlton Superior Court	3	7	6	4	20
Caribou Superior Court	28	20	11	16	75
Caribou District Court	3	1	7	8	19
Houlton District Court	9	6	6	5	26
Madawaska District Court	0	0	0	0	0
Fort Kent District Court	4	2	3	2	11
Presque Isle District Court	4	8	9	4	25
<b>Region 8 Subtotal</b>	<b>51</b>	<b>44</b>	<b>42</b>	<b>39</b>	<b>176</b>

### **STATE FINANCIAL INSTITUTION FILINGS v. FILINGS BY OTHER LENDERS**

Using the most recent available information: for the last quarter of calendar year 2013, the court system reported a total of 1,315 new civil foreclosures filed. The Bureau of Financial Institutions' report for the 4<sup>th</sup> quarter of 2013 reported 72 new foreclosure civil actions by Maine-chartered banks and credit unions in that quarter, or an average of approximately 2.3 filings by each of Maine's 31 state chartered institutions. The 72 civil court actions represented approximately 5.5% of all new foreclosures for that quarter.