

# 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 – 33rd Periodic Report (Covering  
period January 1, 2018 – March 31, 2018)

DATE: June 14, 2018

**Reporting Mandate**

The foreclosure assistance and referral program was established in 2009 when the Legislature amended 14 M.R.S. § 6111 and enacted 14 M.R.S. § 6112. The law requires that mortgage lenders and servicers notify the Bureau of Consumer Credit Protection at the Department of Professional and Financial Regulation when sending out “Notices of Default and Right to Cure” to begin the foreclosure process on residential mortgages. Lenders must provide the names and addresses of the affected homeowners.

Upon receipt of that data, the Bureau sends informational letters to the homeowners, advising them of their rights and available resources, such as HUD-certified counselors through the Bureau’s foreclosure prevention hotline (1-888-NO-4-CLÖZ or 1-888-664-2569), or mediation available during any subsequent court foreclosure process.

The Bureau receives calls each day on the foreclosure hotline, counsels consumers and obtains preliminary information, intervenes in emergency cases, and refers other cases to counselors under contract with the Bureau. The counselors provide free assistance to those consumers, ranging from help in applying for loan modifications, to advice regarding short sales and deeds in lieu of foreclosure.

Pursuant to 14 M.R.S. § 6111(3-B), the Bureau is required to submit a quarterly report to the Joint Standing Committee on Insurance and Financial Services on the number of mortgage default notices sent to Maine residents. The report must include information on foreclosures filed by state-chartered banks, using information provided by the state’s Bureau of Financial Institutions, as well as information on what types of creditors are initiating foreclosures (*e.g.*, national banks, non-bank mortgage companies, or investment trusts).

**DEFAULT NOTICES MAILED TO HOMEOWNERS**



PRINTED ON RECYCLED PAPER

PHONE: (207)624-8527 (Voice)

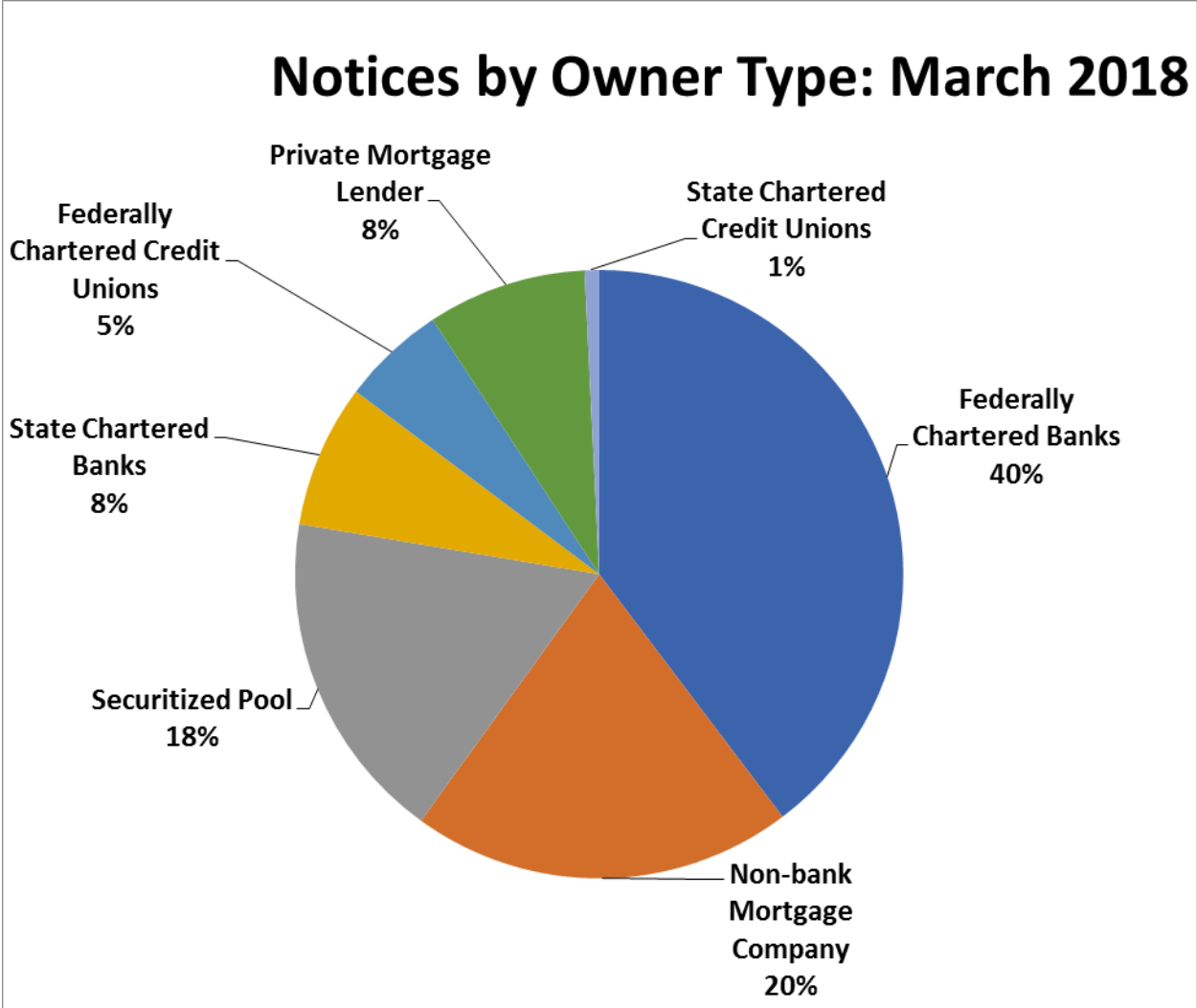
OFFICES LOCATED AT:  
76 NORTHERN AVENUE, GARDINER, MAINE

FAX: (207)582-7699

TTY USERS CALL MAINE RELAY 711  
INTERNET: [www.Credit.Maine.Gov](http://www.Credit.Maine.Gov)

Type	Jan18	Feb18	Mar18	Total
Federally Chartered Banks	590	612	568	1,770
Non-bank Mortgage Company	580	470	290	1,340
Securitized Pool	670	304	253	1,227
State Chartered Banks	188	132	109	429
Federally Chartered Credit Unions	138	108	79	325
Private Mortgage Lender	203	83	121	407
State Chartered Credit Unions	23	25	11	59
<b>Total:</b>	2392	1734	1431	5,557

The information for the month of March, 2018 is depicted visually in the following pie chart:



The following chart shows the number of notices sent by county in January, February and March, 2018.

<b>County</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>Androscoggin</b>	209	154	104	467
<b>Aroostook</b>	85	75	68	228
<b>Cumberland</b>	369	274	248	891
<b>Franklin</b>	56	49	21	126
<b>Hancock</b>	90	89	73	252
<b>Kennebec</b>	238	132	109	479
<b>Knox</b>	63	51	50	164
<b>Lincoln</b>	79	76	60	215
<b>Oxford</b>	163	96	114	373
<b>Penobscot</b>	249	170	118	537
<b>Piscataquis</b>	35	19	24	78
<b>Sagadahoc</b>	86	82	84	252
<b>Somerset</b>	94	69	39	202
<b>Waldo</b>	75	51	30	156
<b>Washington</b>	68	44	31	143
<b>York</b>	433	303	258	994
<b>Total</b>	2392	1734	1431	5,557

The total number of pre-foreclosure notices has decreased approximately 47% compared to the same period four years ago.

### **FORECLOSURE ACTIONS FILED IN COURT**

The chart below shows the number of foreclosure cases filed in each court in Maine in the first quarter of 2018 as well as the last three quarters of 2017.

<b>Region/Court</b>	<b>2nd Qtr. Apr-Jun 2017</b>	<b>3rd Qtr Jul-Sep 2017</b>	<b>4th Qtr. Oct-Dec 2017</b>	<b>1st Qtr. Jan-Mar 2018</b>	<b>2017 - 2018 TOTAL</b>
<b>STATEWIDE TOTAL</b>	<b>625</b>	<b>589</b>	<b>638</b>	<b>666</b>	<b>2518</b>

Alfred Superior Court	12	19	25	20	<b>76</b>
York District Court	8	10	15	24	<b>57</b>
Biddeford District Court	20	22	24	45	<b>111</b>
Springvale District Court	38	42	31	10	<b>121</b>
<b>Region 1 Subtotal</b>	<b>78</b>	<b>93</b>	<b>95</b>	<b>99</b>	<b>365</b>
Portland Superior Court	56	64	56	33	<b>209</b>
Bridgton District Court	19	26	25	2	<b>72</b>
Portland District Court	0	1	0	72	<b>73</b>
<b>Region 2 Subtotal</b>	<b>75</b>	<b>91</b>	<b>81</b>	<b>107</b>	<b>354</b>
South Paris Superior Court	11	8	8	8	<b>35</b>
Auburn Superior Court	13	17	24	17	<b>71</b>
Farmington Superior Court	2	2	4	3	<b>11</b>
Lewiston District Court	52	46	41	64	<b>203</b>
Farmington District Court	21	11	8	0	<b>40</b>
Rumford District Court	10	13	9	15	<b>47</b>
Livermore Falls District Court	0	0	0	8	<b>8</b>
South Paris District Court	15	10	13	6	<b>44</b>
<b>Region 3 Subtotal</b>	<b>124</b>	<b>107</b>	<b>107</b>	<b>121</b>	<b>459</b>
Skowhegan Superior Court	8	7	8	25	<b>48</b>
Augusta Superior Court	17	21	23	5	<b>66</b>
Skowhegan District Court	19	24	31	25	<b>99</b>
Waterville District Court	24	17	18	7	<b>66</b>
Augusta District Court	26	22	22	26	<b>96</b>
<b>Region 4 Subtotal</b>	<b>94</b>	<b>91</b>	<b>102</b>	<b>88</b>	<b>375</b>
Dover Foxcroft Superior Court	3	2	3	36	<b>44</b>
Bangor Superior Court	21	27	22	22	<b>92</b>
Millinocket District Court	0	0	0	13	<b>13</b>
Dover Foxcroft District Court	17	5	12	0	<b>34</b>
Lincoln District Court	10	18	7	12	<b>47</b>
Newport District Court	13	11	20	0	<b>44</b>
Bangor District Court	40	32	44	22	<b>138</b>
<b>Region 5 Subtotal</b>	<b>104</b>	<b>95</b>	<b>108</b>	<b>105</b>	<b>412</b>
Wiscasset Superior Court	4	3	6	3	<b>16</b>
Bath Superior Court	5	2	2	15	<b>24</b>
Rockland Superior Court	2	2	10	3	<b>17</b>
Belfast Superior Court	5	3	3	9	<b>20</b>
Belfast District Court	7	12	18	4	<b>41</b>

Wiscasset District Court	14	11	12	16	<b>53</b>
West Bath District Court	11	14	17	13	<b>55</b>
Rockland District Court	18	10	17	7	<b>52</b>
<b>Region 6 Subtotal</b>	<b>66</b>	<b>57</b>	<b>85</b>	<b>70</b>	<b>278</b>
Machias Superior Court	4	3	1	0	<b>8</b>
Ellsworth Superior Court	5	4	5	8	<b>22</b>
Bar Harbor District Court	0	0	0	18	<b>18</b>
Machias District Court	6	8	8	5	<b>27</b>
Calais District Court	2	2	1	10	<b>15</b>
Ellsworth District Court	27	18	14	1	<b>60</b>
<b>Region 7 Subtotal</b>	<b>44</b>	<b>35</b>	<b>29</b>	<b>42</b>	<b>150</b>
Houlton Superior Court	6	1	5	4	<b>16</b>
Caribou Superior Court	18	16	22	16	<b>72</b>
Caribou District Court	6	0	1	4	<b>11</b>
Houlton District Court	3	1	1	4	<b>9</b>
Madawaska District Court	0	0	0	3	<b>3</b>
Fort Kent District Court	3	1	2	0	<b>6</b>
Presque Isle District Court	4	1	0	3	<b>8</b>
<b>Region 8 Subtotal</b>	<b>40</b>	<b>20</b>	<b>31</b>	<b>34</b>	<b>125</b>

### COUNSELOR ACTIVITY

In addition to mailing consumers information on resources available to them, another component of the Bureau's program is foreclosure counseling, which homeowners can receive either through contacting the Bureau's hotline or contacting counselors directly from information provided in the informational packets sent to homeowners by the Bureau.

During January, February and March, 2018 the Bureau assigned 94 homeowners to counselors under contract with the Bureau. An additional 47 homeowners contacted the contracted counselors directly as a result of information obtained in the informational packets. In addition, counselors received referrals for another 33 homeowners from other governmental agencies that are aware of the program, Representative and Senator's Offices and community assistance organizations.

During the three-month period, counselors reported obtaining results for 39 homeowners which allowed the consumers to avoid foreclosure and remain in their homes. These resolutions included 30 loan modifications, 5 cases in which homeowners were able to bring their mortgage payments current, 2 cases in which the homeowner obtained either a refinance or a reverse mortgage, 1 repayment plan and 1 partial claim, a situation in which the Federal Housing Administration as guarantor of a loan makes a payment to bring the loan current and collects the advance at the end of the loan or when the property is sold.

Counselors contracting with the Bureau also obtained results which, while not allowing homeowners to retain their homes, did lessen the adverse effects of a foreclosure. In those cases, one homeowner conveyed the property to the mortgage holder by a deed in lieu of foreclosure and two other homeowners were able to sell the homes by way of “short sales.”

### **INFORMATION FROM OTHER SOURCES**

Corelogic, a global property information and analytics company, in its “*Loan Performance Insights through February, 2018*”, the last available as of the date of this report, reported that the nationwide 30-day plus mortgage delinquency rate had fallen .2% from February, 2017, from 5.0% to 4.8%. The report analyzed this information further, stating that the rates of loans 30 to 59 days in arrears and 60 to 89 days in arrears were unchanged from 2017. The percentage of loans in arrears from 90 to 119 days increased 0.1%, while loans in arrears more than 120 days dropped 0.2%. Loans in foreclosure dropped from 0.8% to .6%.

Corelogic reported that Maine’s 30+ day delinquency rate dropped year over year from 6.3% to 5.5%, and the 90+ day delinquent rate dropped from 3.4% to 2.7%. At the same time Maine’s “in foreclosure” rate dropped from 1.6% to 1.3%.

Numbers recently released by the Bureau of Financial Institutions in its year-end foreclosure report of April 24<sup>th</sup>, 2018 indicate that 0.17% of first lien mortgages held by institutions it regulates were in the process of foreclosure. The Bureau of Financial Institutions further reported that 0.99% of such first lien mortgages were in early stage default (30-90 days) and 0.48% were more than 90 days in default. These numbers are significantly lower than those reported by Corelogic, but the numbers provided by the Bureau of Financial Institutions represent only mortgages held by financial institutions chartered in the State of Maine, while Corelogic’s numbers reflect all lenders wherever located. In fact, state-chartered banks and credit unions are responsible for only a combined total of 9% of the default notices mailed to Maine homeowners.