

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

Janet T. Mills
GOVERNOR

William N. Lund
SUPERINTENDENT

TO: Joint Standing Committee on Health Coverage, Insurance and Financial Services

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

RE: Foreclosure Assistance and Referral Program – 35th Periodic Report (Covering
the period July 1, 2018 – September 30, 2018)

DATE: January 11, 2019

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 Health Coverage, Insurance and Financial Services (HCIFS) listing the number of default notices sent to Maine residents by their lenders or servicers. In addition, each report contains information on what types of creditors are initiating foreclosures in Maine, including actions filed by national banks, non-bank mortgage companies and investment trusts. Finally, the report provides data on the foreclosure activity of state-chartered banks, using statistics compiled by Maine’s Bureau of Financial Institutions.



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DEFAULT NOTICES MAILED TO HOMEOWNERS

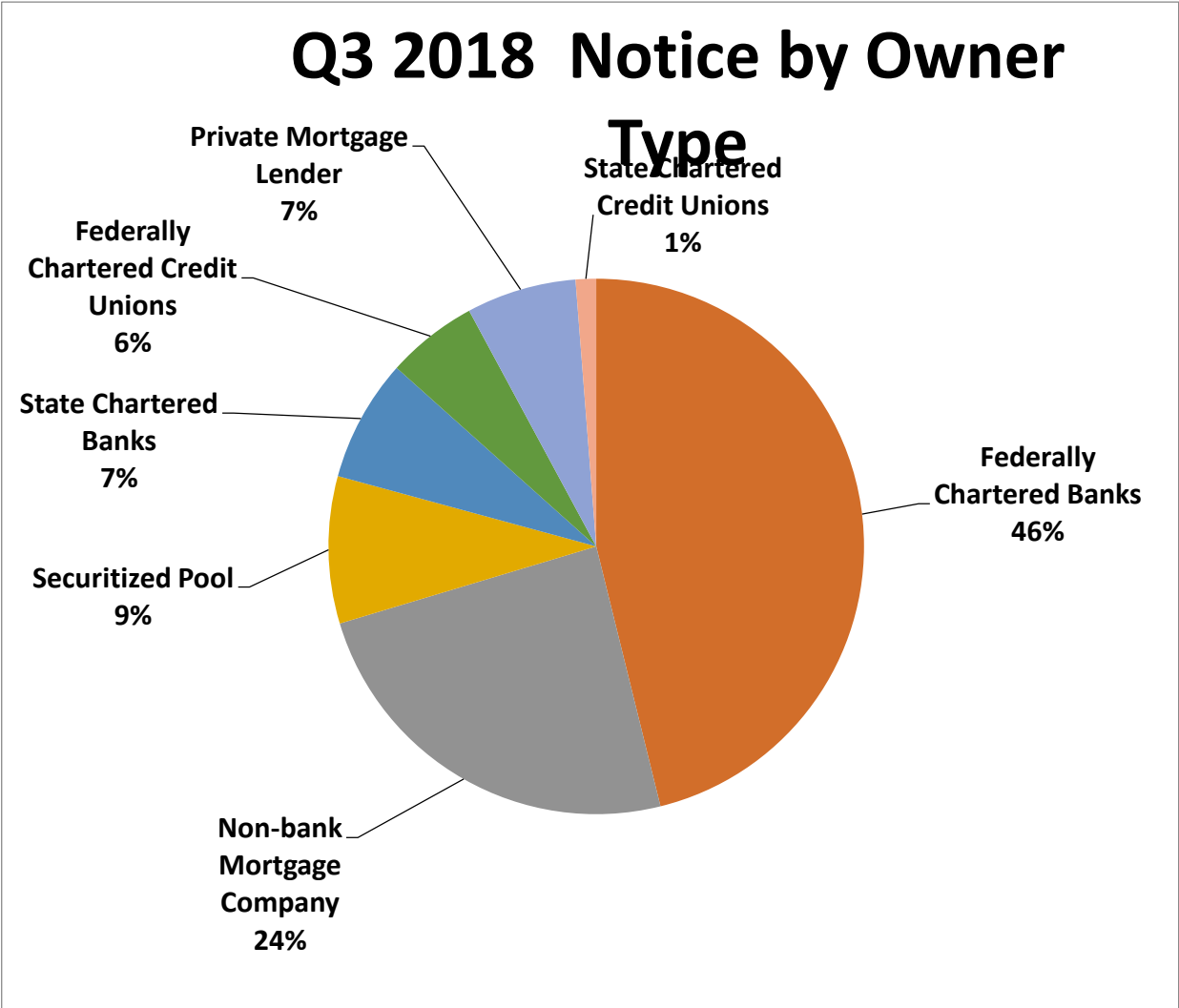
The following chart shows the number and breakdown of number of “right to cure default” notices filed by different types of creditors in the 3rd quarter of calendar year 2018:

Type	Jul-18	Aug-18	Sep-18
Federally Chartered Banks	572	557	434
Non-bank Mortgage Company	615	425	406
Securitized Pool	588	395	368
State Chartered Banks	210	207	134
Federally Chartered Credit Unions	91	150	122
Private Mortgage Lender	67	94	80
State Chartered Credit Unions	25	17	23
Total:	2168	1845	1567

The following chart shows default notices filed by county:

County	Jul-18	Aug-18	Sep-18
Androscoggin	175	143	135
Aroostook	61	71	57
Cumberland	382	299	290
Franklin	25	35	34
Hancock	86	38	57
Kennebec	200	173	176
Knox	57	60	47
Lincoln	100	56	63
Oxford	131	116	97
Penobscot	265	210	153
Piscataquis	23	34	26
Sagadahoc	64	103	62
Somerset	88	85	51
Waldo	65	66	43
Washington	58	47	39
York	388	309	237
Total	2168	1845	1567

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



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 2017	1st Qtr Jan- Mar 2018	2nd Qtr Apr- Jun 2018	3rd Qtr Jul- Sep 2018	TOTAL
STATEWIDE TOTAL	594	666	570	531	2361
Alfred Superior Court	16	20	15	11	62
York District Court	10	24	25	18	77
Biddeford District Court	28	45	40	40	153
Springvale District Court	36	10	7	14	67
Region 1 Subtotal	90	99	87	83	359
Portland Superior Court	58	33	20	22	133
Bridgton District Court	24	2	0	0	26
Portland District Court	0	72	58	54	184
Region 2 Subtotal	82	107	78	76	343
South Paris Superior Court	6	8	4	9	27
Auburn Superior Court	7	17	6	9	39
Farmington Superior Court	3	3	2	0	8
Lewiston District Court	61	64	53	41	219
Farmington District Court	11	0	0	0	11
Rumford District Court	8	15	10	4	37
Livermore Falls District Court	0	8	14	10	32
South Paris District Court	10	6	4	6	26
Region 3 Subtotal	106	121	93	79	399
Skowhegan Superior Court	4	25	30	17	76
Augusta Superior Court	11	5	5	16	37
Skowhegan District Court	30	25	17	19	91
Waterville District Court	21	7	3	4	35
Augusta District Court	18	26	14	19	77
Region 4 Subtotal	84	88	69	75	316
Dover Foxcroft Superior Court	0	36	32	47	115
Bangor Superior Court	19	22	14	13	68

Millinocket District Court	0	13	1	8	22
Dover Foxcroft District Court	7	0	2	2	11
Lincoln District Court	15	12	22	3	52
Newport District Court	9	0	0	0	9
Bangor District Court	33	22	20	17	92
Region 5 Subtotal	83	105	91	90	369
Wiscasset Superior Court	4	3	4	3	14
Bath Superior Court	6	15	18	12	51
Rockland Superior Court	6	3	3	3	15
Belfast Superior Court	5	9	11	10	35
Belfast District Court	19	4	8	4	35
Wiscasset District Court	11	16	20	9	56
West Bath District Court	9	13	17	12	51
Rockland District Court	12	7	2	6	27
Region 6 Subtotal	72	70	83	59	284
Machias Superior Court	4	0	0	0	4
Ellsworth Superior Court	5	8	6	1	20
Bar Harbor District Court	0	18	15	24	57
Machias District Court	5	5	7	2	19
Calais District Court	7	10	8	6	31
Ellsworth District Court	19	1	3	12	35
Region 7 Subtotal	40	42	39	45	166
Houlton Superior Court	5	4	0	1	10
Caribou Superior Court	18	16	19	11	64
Caribou District Court	3	4	2	0	9
Houlton District Court	6	4	2	2	14
Madawaska District Court	0	3	3	7	13
Fort Kent District Court	2	0	0	0	2
Presque Isle District Court	3	3	4	3	13
Region 8 Subtotal	37	34	30	24	125

INFORMATION FROM OTHER SOURCES

Loan Performance Insights for October, 2018, a publication by Corelogic, a global property information and analytics company, reported that nationwide, the rate of residential mortgage loans 30 days or more in default was 4.1%, down from 5.1% one year earlier.

Maine's reported rate of loans 30 days or more in default was 4.8%, down from 5.5% one year ago. Maine's 90 days or more in default rate also dropped significantly, from 2.8% to 2.3%. While the percentage of all loans in foreclosure in Maine dropped from 1.3% to 1.2%, it is still significantly higher than the national rate of 0.5%.

COUNSELOR ACTIVITY

The Bureau directly assigned 74 households to counselors for assistance because of calls received on the "Foreclosure Hotline" 1-888-664-2569 (1-888-NO-4-CLÖZ). An additional 50 homeowners contacted counselors directly as the result of receiving the foreclosure outreach packets mailed by the Bureau. Counselors also took on cases for 53 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 49 homeowners being able to remain in their homes. Thirty-five homeowners received loan modifications; four families entered into forbearance/repayment programs; one homeowner refinanced the home; one homeowner obtained a reverse mortgage; one homeowner caught up by getting a second mortgage; and eight homeowners were able to bring their mortgages current.

An additional sixteen homeowners were assisted in making an orderly and less-damaging exit from their homes. Nine families sold their home and satisfied the mortgage; six transferred the home to the lender under a "deed-in-lieu of foreclosure" agreement, and one homeowner sold the home through a "short sale," a process in which the lender acknowledges that the home is worth less than what is owed on the mortgage but nonetheless 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 against the former homeowners after the property is sold or auctioned off.