

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 – 42nd Periodic Report (Covering
period April 1, 2020 – June 30, 2020)

DATE: September 8, 2020

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 on their mortgage, 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 such 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 (HCI&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 data 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 quarter April 1, 2020 – June 30, 2020.

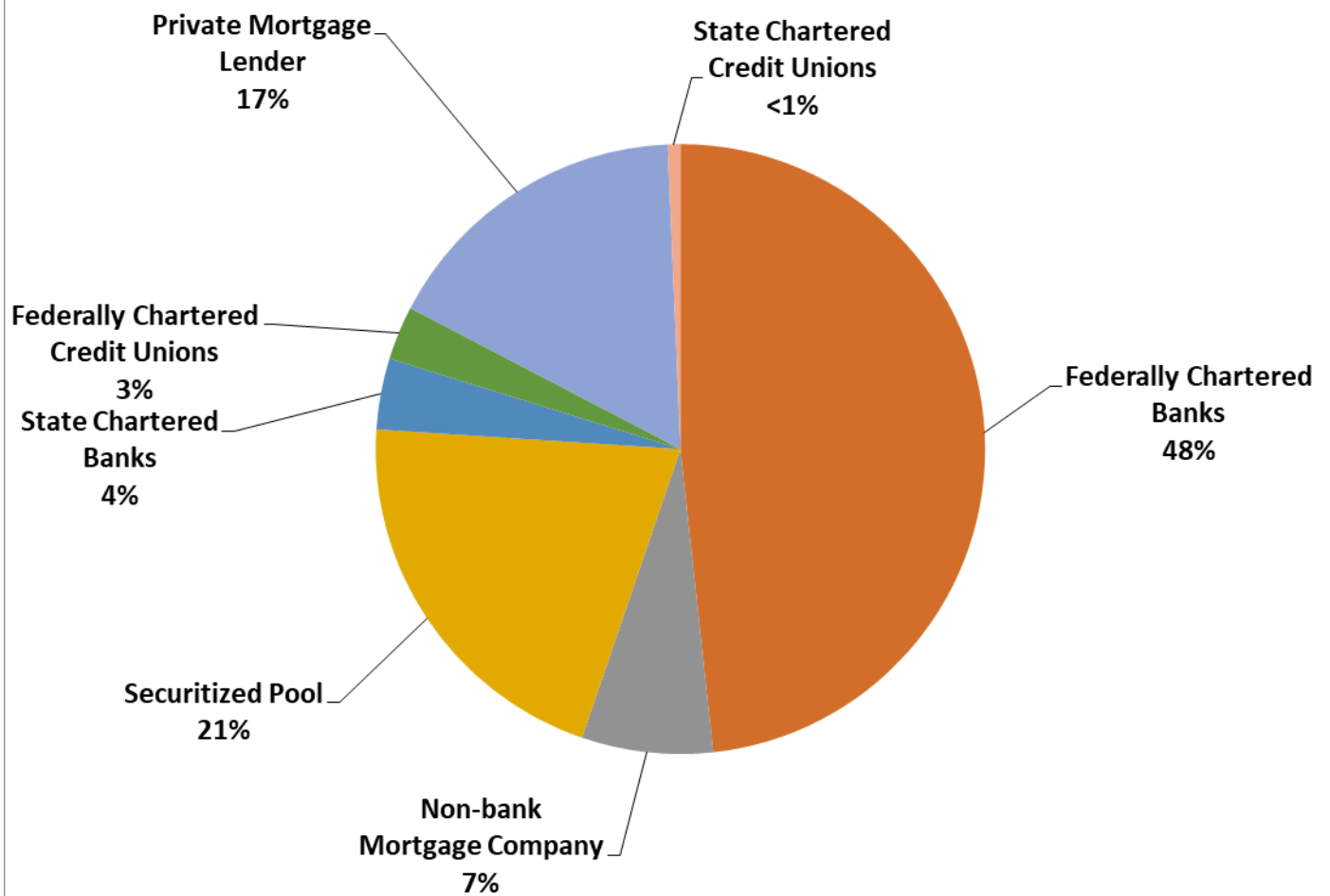
Type	Apr-20	May-20	Jun-20
Federally Chartered Banks	264	194	118
Non-bank Mortgage Company	67	6	10
Securitized Pool	221	12	15
State Chartered Banks	16	20	9
Federally Chartered Credit Unions	15	6	13
Private Mortgage Lender	144	19	36
State Chartered Credit Unions	3	2	3
Total:	731	259	204

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

County	Apr-20	May-20	Jun-20
Androscoggin	83	34	32
Aroostook	22	11	14
Cumberland	148	41	18
Franklin	20	1	4
Hancock	43	17	24
Kennebec	56	7	10
Knox	16	10	4
Lincoln	17	15	9
Oxford	32	16	9
Penobscot	70	31	23
Piscataquis	13	5	6
Sagadahoc	17	12	24
Somerset	25	4	0
Waldo	14	10	11
Washington	12	12	2
York	143	33	14
Total	731	259	204

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

Q2 2020 Notice by Owner Type



FORECLOSURE CASES FILED IN COURT

The following chart shows that no foreclosure cases were filed in Maine courts in the 2nd quarter of calendar year 2020 (red column), because the courts were shut down because of the Covid 19 crisis. All foreclosure activity was effectively stayed by order of Governor Mills, as well as the federal CARES Act, follow-up moratoria by the Federal housing agencies, and orders issued by the Maine Judicial System.

Region/Court	3rd Qtr Jul- Sep 2019	4th Qtr Oct- Dec 2019	1st Qtr Jan- Mar 2020	2nd Qtr Apr- Jun 2020	CY 2020 TOTAL
STATEWIDE TOTAL	454	416	347	0	1217
Alfred Superior Court	9	4	9	0	22
Biddeford District Court	14	13	13	0	40
Springvale District Court	24	27	28	0	79
York District Court	6	10	5	0	21
Region 1 Subtotal	53	54	55	0	162
Bridgton District Court	20	13	13	0	46
Portland District Court	0	0	0	0	0
Portland Superior Court	45	51	29	0	125
Region 2 Subtotal	65	64	42	0	171
Auburn Superior Court	10	2	6	0	18
Farmington District Court	7	14	5	0	26
Farmington Superior Court	3	1	1	0	5
Lewiston District Court	32	27	25	0	84
Livermore Falls District Court	0	0	0	0	0
Rumford District Court	2	9	5	0	16
South Paris District Court	17	16	4	0	37
South Paris Superior Court	5	8	4	0	17
Region 3 Subtotal	76	77	50	0	203
Augusta District Court	19	11	21	0	51
Augusta Superior Court	9	12	7	0	28
Skowhegan District Court	23	17	11	0	51
Skowhegan Superior Court	4	3	3	0	10
Waterville District Court	18	6	10	0	34

Region 4 Subtotal	73	49	52	0	174
Bangor District Court	15	30	22	0	67
Bangor Superior Court	18	10	8	0	36
Dover Foxcroft District Court	8	5	8	0	21
Dover Foxcroft Superior Court	3	1	1	0	5
Lincoln District Court	10	6	10	0	26
Millinocket District Court	0	0	0	0	0
Newport District Court	11	10	9	0	30
Region 5 Subtotal	65	62	58	0	185
Bath Superior Court	4	1	1	0	6
Belfast District Court	14	15	6	0	35
Belfast Superior Court	3	1	4	0	8
Rockland District Court	6	6	4	0	16
Rockland Superior Court	5	4	5	0	14
West Bath District Court	10	13	4	0	27
Wiscasset District Court	12	10	8	0	30
Wiscasset Superior Court	3	1	0	0	4
Region 6 Subtotal	57	51	32	0	140
Bar Harbor District Court	0	0	0	0	0
Calais District Court	4	6	3	0	13
Ellsworth District Court	17	15	9	0	41
Ellsworth Superior Court	4	1	4	0	9
Machias District Court	8	3	4	0	15
Machias Superior Court	4	6	7	0	17
Region 7 Subtotal	37	31	27	0	95
Caribou District Court	2	1	4	0	7
Caribou Superior Court	15	21	15	0	51
Fort Kent District Court	1	0	1	0	2
Houlton District Court	0	2	0	0	2
Houlton Superior Court	9	2	5	0	16
Madawaska District Court	0	0	0	0	0
Presque Isle District Court	1	2	6	0	9
Region 8 Subtotal	28	28	31	0	87

INFORMATION FROM OTHER SOURCES

Loan Performance Insights for May, 2020, a publication by CoreLogic, a global property information and analytics company, reported that the national rate of residential mortgage loans 30 days or more in default in May, 2020 was 7.3%, up from 3.6% one year earlier. The seriously delinquent rate, loans 90 or more days in default, was 1.5%, up from 1.3% one year earlier.

On a positive note, Maine was the only state to experience a drop in the serious delinquency rate from May of 2019, seeing its rate drop by .2%, from an estimated 2.3% to an estimated 2.1%.

COUNSELOR ACTIVITY

The Bureau directly assigned 35 households to counselors for assistance as the result of calls received on the agency's Foreclosure Hotline, 1-888-664-2569 (1-888-NO-4-CLÖZ). Counselors funded by the Bureau also took on cases for an additional 52 households 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 twenty-one homeowners being able to remain in their homes. Thirteen homeowners received loan modifications, three families entered into a forbearance/repayment program, and 5 homeowners were able to bring their mortgages current.

An additional six homeowners were assisted in making an orderly and less-damaging exit from their homes. Three families sold their home and satisfied the mortgage and three transferred the home to the lender under a deed-in-lieu agreement.

SUMMARY

While the number of cases handled by counselors was down in the most recent quarter, the decline can be attributed to the Covid 19 virus and the governmental responses thereto. On April 16, 2020, the Governor issued guidance to Maine chartered banks and credit unions requesting "in the strongest possible terms" that they not issue notices of right to cure under 14 M.R.S. § 6111 during the pandemic. Pursuant to the Governor's direction, on the same date the Bureau sent similar guidance to all licensed non-bank mortgage lenders and nationally chartered banks and credit unions. The federal CARES Act placed a moratorium on foreclosure activity for "Federally-backed mortgages." Moratoria remain in effect for all federal housing agencies involved in mortgage lending. The Maine Judicial System by order effectively halted any foreclosure activity in Maine until recently. The numbers reported above show the general compliance with such federal and state moratoria and guidance.

Bureau staff anticipates a surge in requests for assistance from homeowners when the federal moratoria are finally lifted. Two more counseling agencies have signed contracts to assist with the anticipated demand for at least the next year.