

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 – 45th Periodic Report
DATE: July 30, 2021

Introduction

Title 14 M.R.S. § 6111 requires mortgage lenders and 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 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 listing the number of default notices sent to Maine residents by their lenders. 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; investment trusts).

Default Notices Mailed to Homeowners

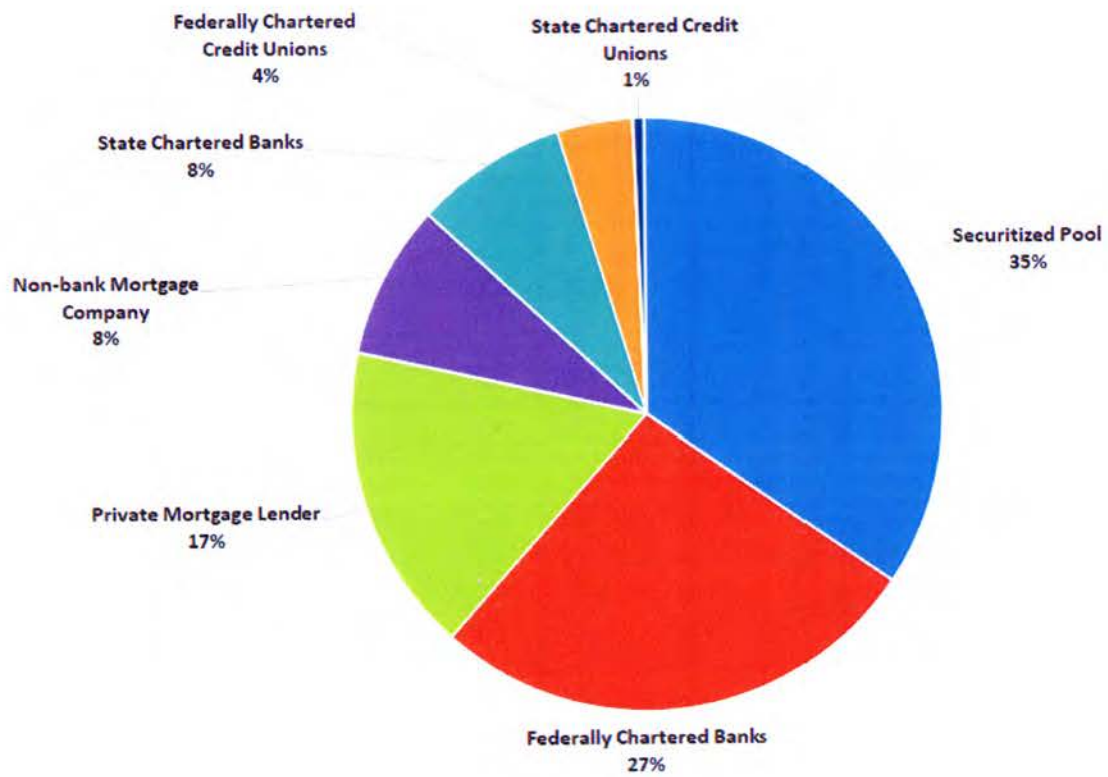
During the first quarter of 2021, the Bureau mailed 1,006 letters to homeowners who received notices of deficiency and right to cure from their lenders. The breakdown of such mailings by lender type is as follows:

Type	Jan-21	Feb-21	Mar-21
Federally Chartered Banks	71	82	119
Private Mortgage Lender	39	32	98
State Chartered Banks	23	13	48
Non-bank Mortgage Company	34	11	40
Federally Chartered Credit Unions	19	7	16
State Chartered Credit Unions	3	0	3
Securitized Pool	173	17	158
Total:	362	162	482

The notices were broken down by county as follows:

County	Jan-21	Feb-21	Mar-21
Androscoggin	30	16	32
Aroostook	21	9	20
Cumberland	39	15	57
Franklin	5	3	7
Hancock	11	10	20
Kennebec	26	7	38
Knox	2	3	17
Lincoln	15	1	34
Oxford	21	11	26
Penobscot	37	21	44
Piscataquis	8	0	11
Sagadahoc	26	13	46
Somerset	22	11	27
Waldo	14	2	14
Washington	14	6	15
York	71	34	74
Total	362	162	482

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



FORECLOSURE FILINGS IN COURT

The following chart shows the number of foreclosure actions filed in each court in the State of Maine in the past year.

Region/Court	2nd Qtr Apr- Jun 2020	3rd Qtr Jul-Sep 2020	4th Qtr Oct-Dec 2020	1st Qtr Jan- Mar 2021	TOTAL
STATEWIDE TOTAL	69	68	94	110	341
Alfred Superior Court	4	1	2	3	10
Biddeford District Court	3	1	4	2	10
Springvale District Court	3	4	2	6	15
York District Court	1	2	2	0	5
Region 1 Subtotal	11	8	10	11	40
Bridgton District Court	3	2	0	3	8
Portland District Court	1	0	0	0	1
Portland Superior Court	5	5	6	13	29
Region 2 Subtotal	9	7	6	16	38
Auburn Superior Court	0	1	0	1	2
Farmington District Court	2	2	5	2	11
Farmington Superior Court	0	0	1	0	1
Lewiston District Court	4	3	9	5	21
Livermore Falls District Court	0	0	0	0	0
Rumford District Court	0	1	1	4	6
South Paris District Court	2	0	0	5	7
South Paris Superior Court	1	4	0	2	7
Region 3 Subtotal	9	11	16	19	55
Augusta District Court	1	2	2	3	8
Augusta Superior Court	1	0	2	5	8
Skowhegan District Court	7	1	6	7	21
Skowhegan Superior Court	0	0	1	0	1
Waterville District Court	2	2	2	0	6
Region 4 Subtotal	11	5	13	15	44
Bangor District Court	4	5	2	8	19
Bangor Superior Court	0	2	1	4	7
Dover Foxcroft District Court	1	0	3	4	8
Dover Foxcroft Superior Court	1	1	0	0	2

Lincoln District Court	1	2	1	3	7
Millinocket District Court	0	0	0	0	0
Newport District Court	3	0	7	2	12
Region 5 Subtotal	10	10	14	21	55
Bath Superior Court	0	0	2	1	3
Belfast District Court	2	1	2	3	8
Belfast Superior Court	0	2	2	0	4
Rockland District Court	1	1	1	2	5
Rockland Superior Court	0	1	1	0	2
West Bath District Court	4	1	2	2	9
Wiscasset District Court	0	2	1	2	5
Wiscasset Superior Court	0	2	3	2	7
Region 6 Subtotal	7	10	14	12	43
Bar Harbor District Court	0	0	0	0	0
Calais District Court	0	2	1	0	3
Ellsworth District Court	3	3	4	4	14
Ellsworth Superior Court	0	4	1	0	5
Machias District Court	1	0	1	2	4
Machias Superior Court	0	2	4	2	8
Region 7 Subtotal	4	11	11	8	34
Caribou District Court	0	0	0	0	0
Caribou Superior Court	7	4	8	4	23
Fort Kent District Court	0	0	0	0	0
Houlton District Court	1	0	0	0	1
Houlton Superior Court	0	1	1	4	6
Madawaska District Court	0	0	0	0	0
Presque Isle District Court	0	1	1	0	2
Region 8 Subtotal	8	6	10	8	32

By virtue of orders entered at the federal level and by the Maine court system, no foreclosure hearings were heard in Maine courts during the period March 27, 2020 to February 28, 2021. Few if any cases have been heard since 2/28/2021, as the court system's most recent amendment to its "Phased Management Plan" dated 5/6/2021 states that foreclosures may be heard, but only if standard procedures for processing foreclosures have been established for each court. In addition, the court system's revision of May 6, 2021, the one most recently issued, states that "...foreclosure mediations are not presently occurring." This means any new foreclosures filed cannot proceed to trial until mediation is held. From information available to the Bureau, it appears mediation, at least in some courts, will be resuming in August, 2021.

COUNSELOR ACTIVITY

During the months of January, February and March of 2021, counselors under contract with the Bureau assisted seventeen households facing possible foreclosure remain in their homes. Five homeowners were able to bring their mortgages current, eleven homeowners received loan modifications and one was granted a forbearance or repayment plan. An additional six homeowners received assistance in obtaining a result which, although not allowing them to stay in the home, minimized the financial impact of the threatened foreclosure. Two homeowners were able to obtain relief through the “deed in lieu of foreclosure” process, and four were able to sell their homes and pay off their mortgages.

For the quarter, the Bureau assigned seventeen cases to counselors. Six homeowners contacted counselors directly either after receiving an informational letter from the BCCP or reviewing the BCCP website. Counselors received an additional thirty-one cases which were referred to them from other sources such as Senate or House offices or from community service organizations.

INFORMATION FROM OTHER SOURCES

CoreLogic, a global property information and analytics company, in its “*Loan Performance Insights Through March 2021*,” reported that nationwide, the percentage of loans 30 days or more delinquent was 4.9% in March of 2021, up from 3.6% in March of 2020. This was, however, the lowest monthly 30-day delinquency rate since March of 2020. The delinquency rates for loans 30-59 and 60-89 days overdue both dropped since March of 2020, to 1% and .4% respectively, from 3.6% and .6% in March of 2020. The number of loans 90 days or more in arrears, however, increased from .9% in March of 2020 to 3.5% in March of 2021.