

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 – 47th Periodic Report

Date: December 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 before commencing a foreclosure action in court. The section also requires the lender or servicer to notify the Bureau of Consumer Credit Protection (also referred to herein as “the Bureau” or “BCCP”) 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 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 third quarter of 2021, the Bureau mailed 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:

Table 1. Notices of Right to Cure by Lender Type.

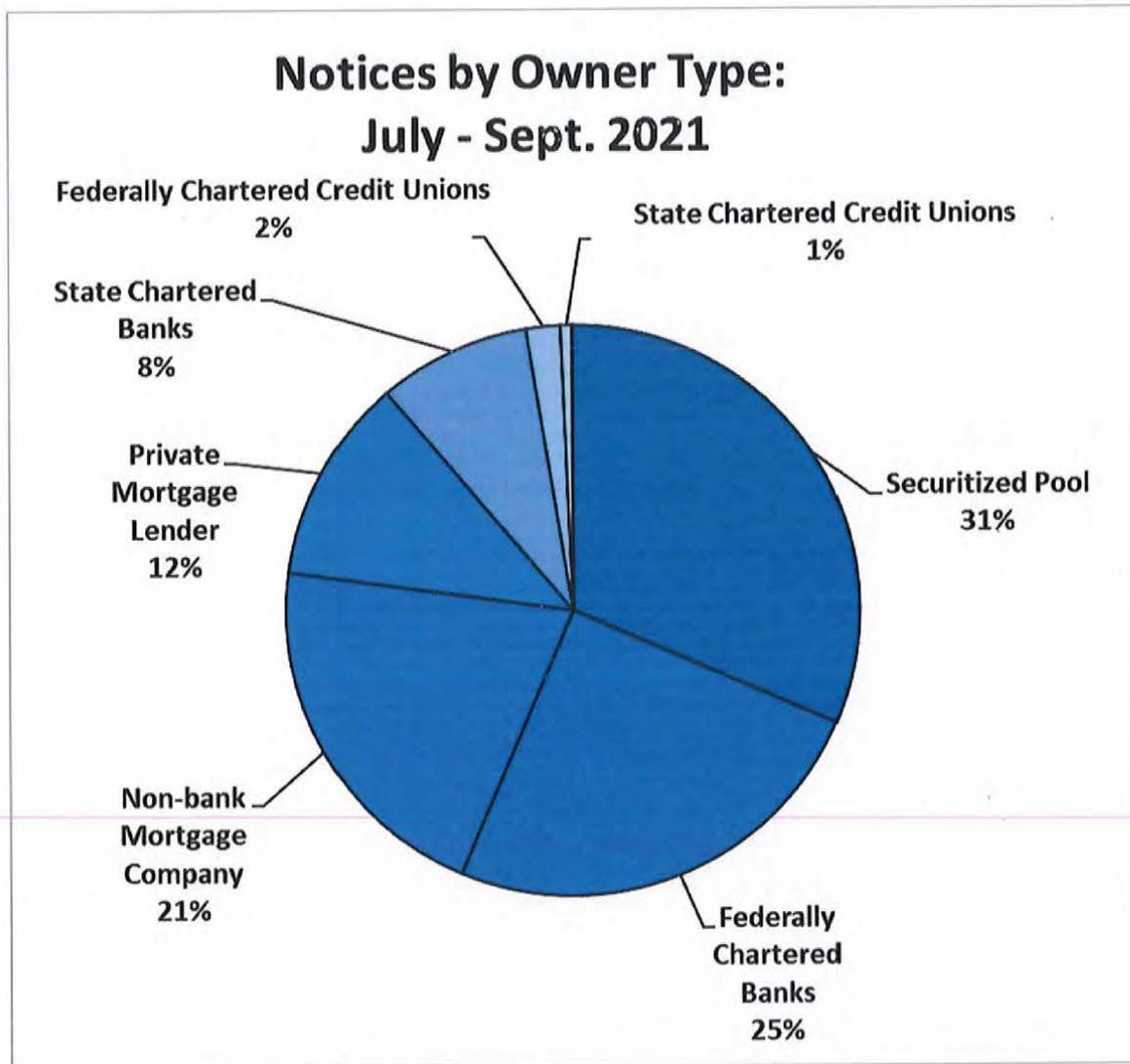
Type	Jul-'21	Aug-'21	Sep-'21
Non-bank Mortgage Company	30	117	306
Securitized Pool	67	347	273
Federally Chartered Banks	155	115	272
Private Mortgage Lender	104	62	88
State Chartered Banks	54	79	54
Federally Chartered Credit Unions	19	12	11
State Chartered Credit Unions	2	8	4
Total	431	740	1008

Quarterly totals by Maine county are shown below:

Table 2. Notices of Right to Cure by County.

County	Jul-'21	Aug-'21	Sep-'21
Androscoggin	35	68	78
Aroostook	20	22	37
Cumberland	55	123	159
Franklin	14	15	27
Hancock	23	34	34
Kennebec	34	62	85
Knox	10	29	40
Lincoln	12	22	25
Oxford	49	49	69
Penobscot	48	56	105
Piscataquis	10	17	13
Sagadahoc	17	26	45
Somerset	11	22	50
Waldo	9	25	33
Washington	8	23	22
York	76	147	186
Total	431	740	1008

The chart below shows the number of notices filed categorized by type of lender:



Foreclosure Filings in Court

Table 3 (below) shows the number of foreclosure actions filed in each court in the State of Maine in the most recent four quarters:

Table 3. Foreclosure Filings by Court.

Region/Court	4th Qtr Oct-Dec '20	1st Qtr Jan- Mar '21	2nd Qtr Apr- Jun '21	3rd Qtr Jul-Sep '21	TOTAL
Statewide Total	94	110	113	133	450
Alfred Superior Court	2	3	3	7	15
Biddeford District Court	4	2	4	11	21
Springvale District Court	2	6	3	7	18
York District Court	2	0	2	3	7
Region 1 Subtotal	10	11	12	28	61
Bridgton District Court	0	3	4	4	11
Portland District Court	0	0	0	1	1
Portland Superior Court	6	13	11	12	42
Region 2 Subtotal	6	16	15	17	54
Auburn Superior Court	0	1	1	3	5
Farmington District Court	5	2	2	0	9
Farmington Superior Court	1	0	1	0	2
Lewiston District Court	9	5	7	6	27
Livermore Falls District Court	0	0	0	0	0
Rumford District Court	1	4	1	3	9
South Paris District Court	0	5	5	1	11
South Paris Superior Court	0	2	0	2	4
Region 3 Subtotal	16	19	17	15	67

Augusta District Court	2	3	6	7	18
Augusta Superior Court	2	5	3	3	13
Skowhegan District Court	6	7	4	5	22
Skowhegan Superior Court	1	0	4	4	9
Waterville District Court	2	0	4	2	8
Region 4 Subtotal	13	15	21	21	70
Bangor District Court	2	8	8	3	21
Bangor Superior Court	1	4	2	5	12
Dover Foxcroft District Court	3	4	4	2	13
Dover Foxcroft Superior Court	0	0	0	0	0
Lincoln District Court	1	3	2	2	8
Millinocket District Court	0	0	0	0	0
Newport District Court	7	2	3	6	18
Region 5 Subtotal	14	21	19	18	72
Bath Superior Court	2	1	1	1	5
Belfast District Court	2	3	3	4	12
Belfast Superior Court	2	0	1	1	4
Rockland District Court	1	2	1	2	6
Rockland Superior Court	1	0	0	0	1
West Bath District Court	2	2	3	5	12
Wiscasset District Court	1	2	0	0	3
Wiscasset Superior Court	3	2	1	1	7
Region 6 Subtotal	14	12	10	14	50
Bar Harbor District Court	0	0	0	0	0
Calais District Court	1	0	0	1	2

Ellsworth District Court	4	4	1	5	14
Ellsworth Superior Court	1	0	6	1	8
Machias District Court	1	2	3	1	7
Machias Superior Court	4	2	1	2	9
Region 7 Subtotal	11	8	11	10	40
Caribou District Court	0	0	1	0	1
Caribou Superior Court	8	4	5	5	22
Fort Kent District Court	0	0	0	0	0
Houlton District Court	0	0	0	2	2
Houlton Superior Court	1	4	1	3	9
Madawaska District Court	0	0	0	0	0
Presque Isle District Court	1	0	1	0	2
Region 8 Subtotal	10	8	8	10	36

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. From information available to the Bureau, it appears that very few cases have been heard since February 28, 2021. Mediations are again being held in most courts, a prerequisite to holding foreclosure trials.

It is significant that only thirty-nine more foreclosure cases were filed in Maine courts in the third quarter of 2021 than in the last quarter of 2020.

Counselor Activity

In 2021, during the months of July, August and September, counselors under contract with the Bureau assisted 10 households facing possible foreclosure remain in their homes. Four homeowners were able to bring their mortgages current, four homeowners received loan modifications, and two were granted a forbearance or repayment plan. An additional five 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. All five were able to sell the homes and pay off their mortgages.

For the quarter, the Bureau assigned thirty-two cases to counselors. Four homeowners contacted counselors directly, either after receiving an informational letter from the BCCP or following a review of the BCCP website. Counselors received an additional thirty-four cases that were referred to them from other sources, such as Senate or House offices, or community service organizations.

Information from Other Sources

In its “*Loan Performance Insights Through September, 2021*,” CoreLogic — a global property information and analytics company — reported that nationwide, the percentage of loans 30 days or more delinquent was 3.9% in September of 2021, down from 6.3% in September of 2020. The rate at the end of the prior quarter (June 30, 2021) was 4.4%.

The CoreLogic report went on to state: “The rate for early-stage delinquencies – defined as 30 to 59 days past due – was 1.1% in September 2021, down from 1.5% in September 2020. The share of mortgages 60 to 89 days past due was 0.3%, down from 0.7% in September 2020. The serious delinquency rate – defined as 90 days or more past due, including loans in foreclosure – was 2.4%, down from 4.2% in September 2020.”

The report also indicated increases in home equity due to rising prices for home sales, significantly reduced unemployment levels (4.2% in November of 2021 versus 14.8% in March of 2020), and income growth present a strong case for few homes being lost to foreclosure as forbearances end.