

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

Linda Conti
SUPERINTENDENT

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

FROM: Linda Conti, Superintendent, Bureau of Consumer Credit Protection

RE: Foreclosure Assistance and Referral Program – 56th Periodic Report

DATE: April 2, 2024

Introduction

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).

In addition, Title 14 M.R.S. § 6112(5) requires reporting every 6 months on the financial aspects of operation of the Bureau's foreclosure hotline and counselor referral program, both to the Insurance and Financial Services Committee and to the Joint Standing Committee on Appropriations and Financial Affairs.

This combined report has been prepared to comply with both provisions (Section 6111 and Section 6112) of Title 14.

Default Notices Mailed to Homeowners

During the fourth quarter of 2023, the Bureau mailed 3,664 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	Oct-23	Nov-23	Dec-23
Federally Chartered Banks	291	235	261
Private Mortgage Lender	163	91	115
State Chartered Banks	99	83	59
Non-bank Mortgage Company	307	347	396
Federally Chartered Credit Unions	29	41	25
State Chartered Credit Unions	8	5	5
Securitized Pool	392	325	387
Total:	1289	1127	1248

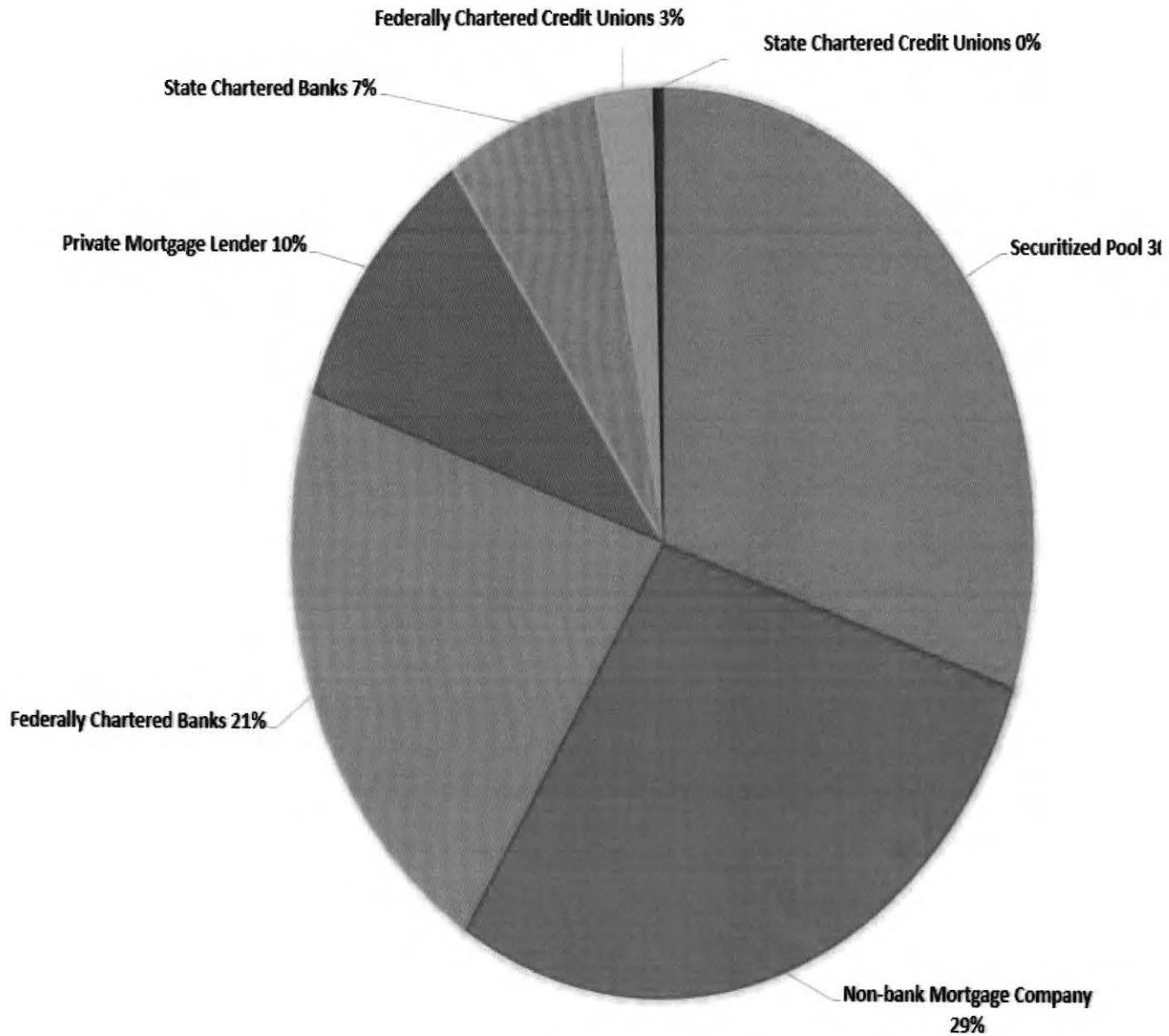
The notices were broken down by county as follows:

County	Oct-23	Nov-23	Dec-23
Androscoggin	113	104	124
Aroostook	51	44	30
Cumberland	207	159	195
Franklin	42	28	30
Hancock	48	36	27
Kennebec	122	129	136
Knox	45	29	33
Lincoln	33	22	39
Oxford	104	82	108
Penobscot	111	120	141
Piscataquis	27	20	22
Sagadahoc	28	18	31
Somerset	63	49	44
Waldo	58	36	45
Washington	35	30	26
York	202	221	217
Total	1289	1127	1248

229 notices were returned as undeliverable and of those 56 were able to be forwarded to an appropriate address.

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

Q4 2023 NOTICES BY OWNER TYPE



FORECLOSURE FILINGS IN COURT

The following chart from the court system shows the number of foreclosure actions filed in each court in the State of Maine in 2023.

Region/Court	1st Qtr Jan- Mar 2023	2nd Qtr Apr- Jun 2023	3rd Qtr Jul-Sep 2023	4th Qtr Oct-Dec 2023	CY 2023 TOTAL
STATEWIDE TOTAL	238	240	195	222	895
Alfred Superior Court	9	5	8	6	28
Biddeford District Court	6	17	14	25	62
Springvale District Court	14	4	0	0	18
York District Court	5	0	0	0	5
Region 1 Subtotal	34	26	22	31	113
Bridgton District Court	13	11	5	8	37
Portland District Court	1	0	0	0	1
Portland Superior Court	21	23	12	20	76
Region 2 Subtotal	35	34	17	28	114
Auburn Superior Court	4	4	1	5	14
Farmington District Court	5	2	3	4	14
Farmington Superior Court	1	1	0	2	4
Lewiston District Court	19	25	15	11	70
Livermore Falls District Court	0	0	0	0	0
Rumford District Court	2	4	2	0	8
South Paris District Court	7	5	7	7	26
South Paris Superior Court	3	6	3	2	14
Region 3 Subtotal	41	47	31	31	150
Augusta District Court	9	15	3	9	36
Augusta Superior Court	0	2	6	7	15
Skowhegan District Court	8	5	3	12	28
Skowhegan Superior Court	2	2	3	8	15
Waterville District Court	11	10	4	12	37
Region 4 Subtotal	30	34	19	48	131

Bangor District Court	17	12	21	13	63
Bangor Superior Court	4	8	19	7	38
Dover Foxcroft District Court	1	3	0	5	9
Dover Foxcroft Superior Court	3	0	2	0	5
Lincoln/Millinocket District Court	3	3	1	1	8
Newport District Court	4	9	4	4	21
Region 5 Subtotal	32	35	47	30	144
Bath Superior Court	0	1	0	1	2
Belfast District Court	4	11	5	4	24
Belfast Superior Court	1	1	4	2	8
Rockland District Court	9	5	3	3	20
Rockland Superior Court	2	1	2	4	9
West Bath District Court	12	8	6	4	30
Wiscasset District Court	5	6	2	2	15
Wiscasset Superior Court	1	2	4	5	12
Region 6 Subtotal	34	35	26	25	120
Bar Harbor District Court	0	0	0	0	0
Calais District Court	2	0	2	0	4
Ellsworth District Court	7	6	9	4	26
Ellsworth Superior Court	2	1	0	4	7
Machias District Court	2	5	4	4	15
Machias Superior Court	3	1	3	1	8
Region 7 Subtotal	16	13	18	13	60
Caribou District Court	0	0	0	0	0
Caribou Superior Court	12	10	10	8	40
Fort Kent District Court	0	0	1	0	1
Houlton District Court	1	1	1	3	6
Houlton Superior Court	3	5	2	5	15
Madawaska District Court	0	0	0	0	0
Presque Isle District Court	0	0	1	0	1
Region 8 Subtotal	16	16	15	16	63

In the fourth quarter of 2022, 215 foreclosure cases were filed in Maine courts as opposed to 222 in the fourth quarter of 2023. 895 foreclosures were commenced in 2023 as opposed to 1,029 in 2022.

INFORMATION FROM OTHER SOURCES

Corelogic, a global property information and analytics company, in its "*Loan Performance Insights - February 2024*," containing information through December of 2023, reported that nationwide, the percentage of loans 30 days or more delinquent increased from 3% in December of 2022 to 3.1% in December of 2023. The percentage of loans in foreclosure remained unchanged at 0.3%. The percentage of loans 120 days or more in arrears dropped from 0.9% to 0.7%. The only negative news was that loans 30 to 59 and 60 to 89 days past due were each up over the prior year by 0.1% and 0.2% respectively.

FINANCIAL CONDITION OF THE PROGRAM

Revenue for the outreach program comes from the transfer tax on foreclosure sales.

The outreach program ended fiscal year 2023 (on June 30, 2023) with \$415,596.00 cash on hand. Revenues for FY 2024 were budgeted at \$250,000.00, however, the program generated only \$51,025.15 in revenue in the first two quarters of fiscal year 2024. When operating at its lowest level, the budget for the outreach program with contracted counselors was approximately \$350,000.00 annually.

The Bureau did not contract counseling services for fiscal year 2024 because of the significant reduction in available funds due to the drop off in new foreclosures and because the same counseling services were available through the Maine HAF program.

The Bureau continues to perform its statutory duty to receive notification when a lender sends a homeowner a "notice of deficiency and right to cure" and to then mail an informational packet to such homeowner advising about the process of foreclosure and available assistance to aid in exploring options for avoiding foreclosure.

CONCLUSION

Overall mortgage delinquency numbers and foreclosure starts continue to fall causing program revenues to decrease accordingly.