

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 – 58th Periodic Report

DATE: October 25, 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 second quarter of 2024, the Bureau mailed 3,351 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:



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PHONE: (207)624-8527 (Voice)

OFFICES LOCATED AT:
76 NORTHERN AVENUE, GARDINER, MAINE

FAX: (207)582-7699

TTY USERS CALL MAINE RELAY 711
INTERNET: www.Credit.Maine.Gov

Type	Apr-24	May-24	Jun-24
Federally Chartered Banks	217	234	150
Private Mortgage Lender	69	115	122
State Chartered Banks	43	86	55
Non-bank Mortgage Company	236	381	427
Federally Chartered Credit Unions	48	70	55
State Chartered Credit Unions	9	7	12
Securitized Pool	147	414	454
Total:	769	1307	1275

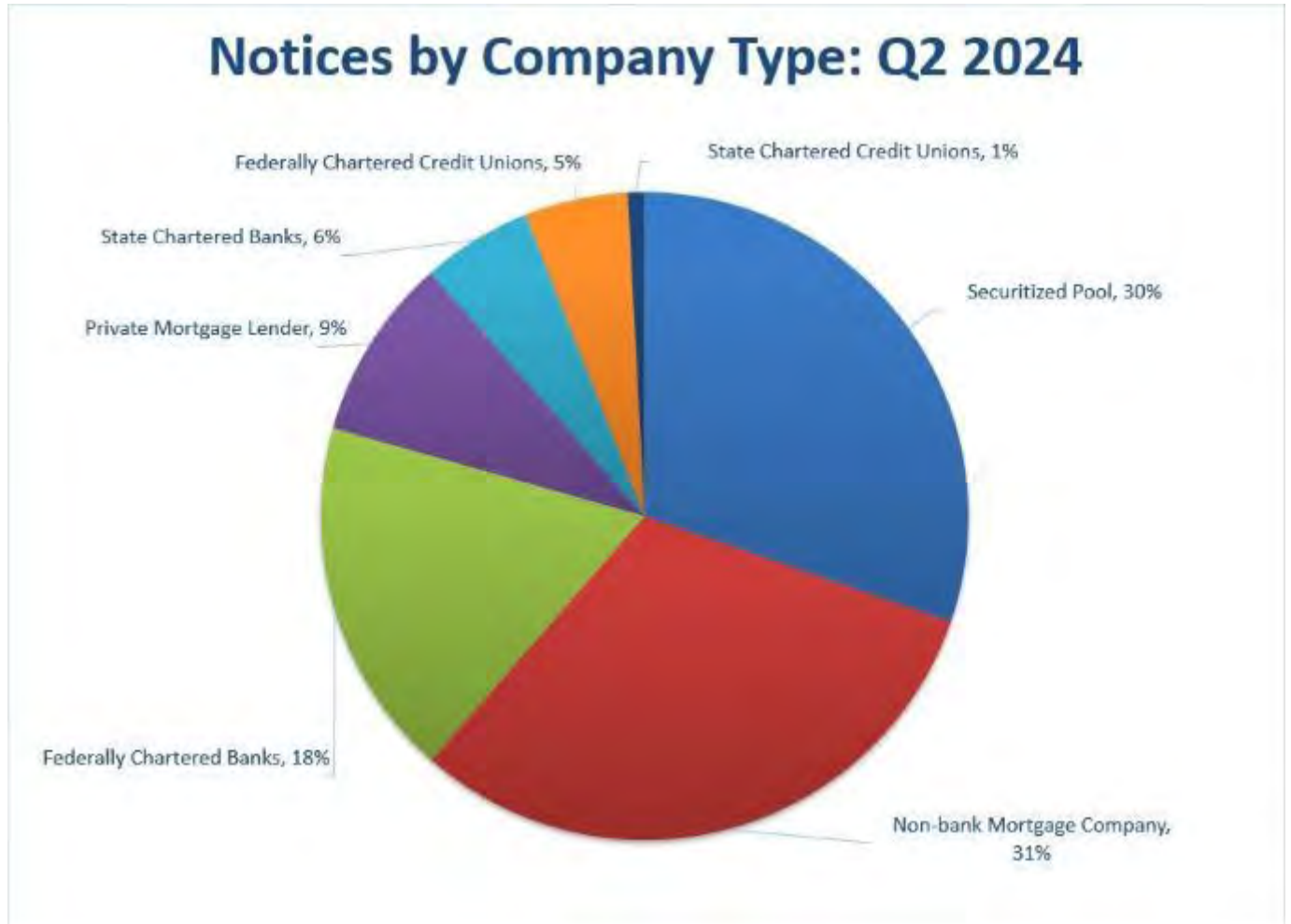
The notices were broken down by county as follows:

	Apr-24	May-24	Jun-24
Androscoggin	55	155	113
Aroostook	36	50	34
Cumberland	103	171	208
Franklin	19	37	29
Hancock	35	45	63
Kennebec	64	138	124
Knox	22	18	26
Lincoln	31	46	37
Oxford	48	132	97
Penobscot	98	148	138
Piscataquis	11	19	12
Sagadahoc	28	41	36
Somerset	44	81	54
Waldo	40	33	47
Washington	13	20	32
York	122	173	225
Total	769	1307	1275

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.



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 fiscal year 2024.

Region/Court	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	FY 2024
	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	TOTAL
STATEWIDE TOTAL	195	222	215	191	823
Alfred Superior Court	8	6	6	9	29
Biddeford District Court	14	25	28	16	83
Springvale District Court	0	0	0	0	0
York District Court	0	0	0	0	0
Region 1 Subtotal	22	31	34	25	112
Bridgton District Court	5	8	3	4	20
Portland District Court	0	0	0	0	0
Portland Superior Court	12	20	16	9	57
Region 2 Subtotal	17	28	19	13	77
Auburn Superior Court	1	5	5	4	15
Farmington District Court	3	4	3	0	10
Farmington Superior Court	0	2	1	1	4
Lewiston District Court	15	11	12	17	55
Livermore Falls District Court	0	0	0	0	0
Rumford District Court	2	0	1	4	7
South Paris District Court	7	7	8	7	29
South Paris Superior Court	3	2	3	4	12
Region 3 Subtotal	31	31	33	37	132
Augusta District Court	3	9	8	4	24
Augusta Superior Court	6	7	6	7	26
Skowhegan District Court	3	12	11	8	34
Skowhegan Superior Court	3	8	4	2	17
Waterville District Court	4	12	6	7	29
Region 4 Subtotal	19	48	35	28	130
Bangor District Court	21	13	13	18	65

Bangor Superior Court	19	7	5	11	42
Dover Foxcroft District Court	0	5	2	1	8
Dover Foxcroft Superior Court	2	0	2	2	6
Lincoln/Millinocket District Court	1	1	2	7	11
Newport District Court	4	4	4	6	18
Region 5 Subtotal	47	30	28	45	150
Bath Superior Court	0	1	1	2	4
Belfast District Court	5	4	4	2	15
Belfast Superior Court	4	2	2	3	11
Rockland District Court	3	3	3	4	13
Rockland Superior Court	2	4	7	3	16
West Bath District Court	6	4	5	2	17
Wiscasset District Court	2	2	8	1	13
Wiscasset Superior Court	4	5	4	2	15
Region 6 Subtotal	26	25	34	19	104
Bar Harbor District Court	0	0	0	0	0
Calais District Court	2	0	0	0	2
Ellsworth District Court	9	4	9	4	26
Ellsworth Superior Court	0	4	2	1	7
Machias District Court	4	4	0	0	8
Machias Superior Court	3	1	2	4	10
Region 7 Subtotal	18	13	13	9	53
Caribou District Court	0	0	0	0	0
Caribou Superior Court	10	8	10	10	38
Fort Kent District Court	1	0	0	0	1
Houlton District Court	1	3	3	0	7
Houlton Superior Court	2	5	5	4	16
Madawaska District Court	0	0	0	0	0
Presque Isle District Court	1	0	1	1	3
Region 8 Subtotal	15	16	19	15	65

In the final quarter of fiscal year 2024, 191 foreclosure cases were filed in Maine courts as opposed to 240 in the same quarter of 2023. 823 foreclosures were commenced in fiscal year 2024 as opposed to 976 in 2023.

INFORMATION FROM OTHER SOURCES

A report by the Conference of State Bank Supervisors (CSBS) entitled “*Mortgage delinquency Rate Report*” issued for the second quarter of 2024 showed the overall delinquency rate (loans 30, 60 and 90+ days in arrears) to be basically flat, increasing only slightly from the previous quarter (3.94% to 3.97%). The total loans in foreclosure rate was .43% which was down 3 basis points from the prior month and 10 basis points from a year prior. That rate is also 35 basis points lower than the rate pre-pandemic in the fourth quarter of 2019.

The report showed loans in Maine 30 days in arrears to be approximately 2.25%, 60 days in arrears .65% and loans 90+ days in arrears 1%.

FINANCIAL CONDITION OF THE PROGRAM

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

The outreach program ended fiscal year 2024 (on June 30, 2024) with \$532,258.00 cash on hand. There were outstanding invoices outstanding however of potentially between \$100,000 and \$200,000 for counseling contracts claimed to remain unpaid from 2001, 2002 and 2003. Those claims are currently under review. Revenues for FY 2024 were budgeted at \$250,000.00, however, the program generated only \$124,660 in revenue in fiscal year 2024. When operating at its lowest level, expenses for the counseling program totaled over \$330,000 annually.

The Bureau did not contract for counseling services for fiscal year 2024 and fiscal year 2025 because of the significant reduction in available funds due to the drop off in new foreclosures and the availability of counselling services through the HAF program in 2024.

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 continuing to fall causing program revenues to decrease accordingly.