



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

Mark Susi
Acting Superintendent

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

FROM: Mark E. Susi, Acting Superintendent, Bureau of Consumer Credit Protection

RE: Foreclosure Assistance and Referral Program – 51st Periodic Report

DATE: December 12, 2022

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 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

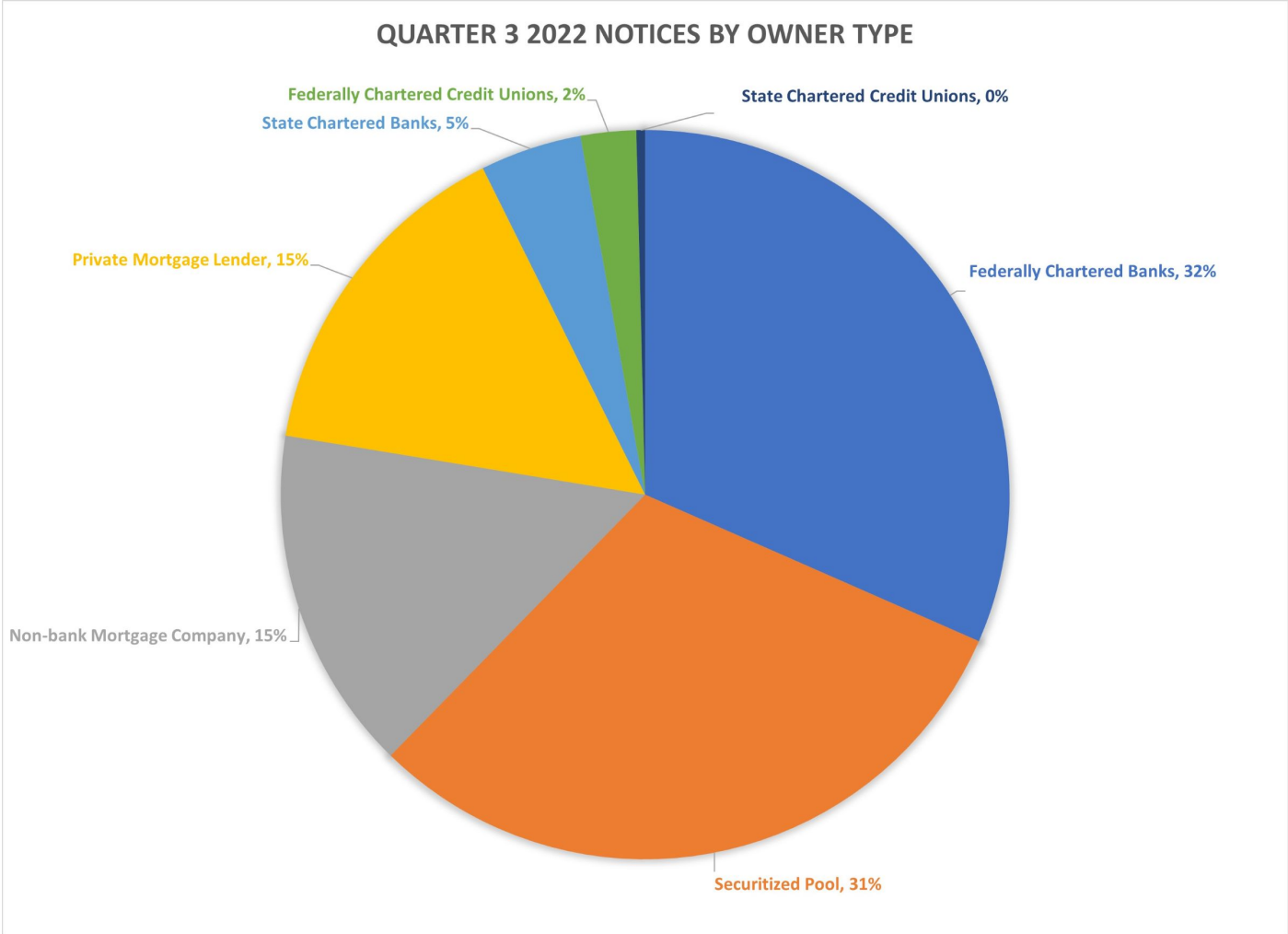
During the third quarter of 2022, the Bureau mailed 3,619 letters to homeowners who received notices of deficiency and right to cure from their lenders. The breakdown of such mailings by lender type is as follows:

Type	Jul-22	Aug-22	Sep-22
Federally Chartered Banks	356	336	451
Private Mortgage Lender	149	286	110
State Chartered Banks	48	70	45
Non-bank Mortgage Company	133	200	220
Federally Chartered Credit Unions	22	31	36
State Chartered Credit Unions	1	3	10
Securitized Pool	414	341	357
Total:	1123	1267	1229

The notices were broken down by county as follows:

County	Jul-22	Aug-22	Sep-22
Androscoggin	86	133	94
Aroostook	33	50	56
Cumberland	196	210	180
Franklin	26	21	33
Hancock	39	55	31
Kennebec	111	152	140
Knox	28	34	32
Lincoln	42	37	56
Oxford	103	66	105
Penobscot	94	115	103
Piscataquis	19	10	13
Sagadahoc	33	42	77
Somerset	52	64	52
Waldo	25	36	34
Washington	40	20	14
York	196	222	209
Total	1123	1267	1229

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 last quarter of 2021 through the third quarter of 2022.

Region/Court	4th Qtr Oct-Dec 2021	1st Qtr Jan- Mar 2022	2nd Qtr Apr- Jun 2022	3rd Qtr Jul-Sep 2022
STATEWIDE TOTAL	176	282	249	283
Alfred Superior Court	7	7	4	2
Biddeford District Court	11	12	6	12
Springvale District Court	6	12	13	23
York District Court	1	7	9	9
Region 1 Subtotal	25	38	32	46
Bridgton District Court	6	10	12	12
Portland District Court	0	0	1	0
Portland Superior Court	19	27	26	29
Region 2 Subtotal	25	37	39	41
Auburn Superior Court	5	5	2	2
Farmington District Court	2	5	4	8
Farmington Superior Court	0	3	0	0
Lewiston District Court	7	23	24	17
Livermore Falls District Court	0	0	0	0
Rumford District Court	1	4	6	5
South Paris District Court	6	5	4	6
South Paris Superior Court	17	10	3	1
Region 3 Subtotal	38	55	43	39
Augusta District Court	5	8	4	18
Augusta Superior Court	7	9	7	6
Skowhegan District Court	6	15	12	10
Skowhegan Superior Court	6	4	5	3
Waterville District Court	1	7	13	6
Region 4 Subtotal	25	43	41	43
Bangor District Court	5	8	13	9
Bangor Superior Court	5	7	4	9
Dover Foxcroft District Court	2	3	3	2

Dover Foxcroft Superior Court	0	0	1	2
Lincoln/Millinocket District Court	2	3	2	3
Newport District Court	0	6	8	6
Region 5 Subtotal	14	27	31	31
Bath Superior Court	2	0	0	3
Belfast District Court	2	8	7	6
Belfast Superior Court	0	1	4	4
Rockland District Court	7	3	5	7
Rockland Superior Court	5	1	2	2
West Bath District Court	6	13	10	9
Wiscasset District Court	4	5	4	9
Wiscasset Superior Court	1	2	3	0
Region 6 Subtotal	27	33	35	40
Bar Harbor District Court	0	0	0	0
Calais District Court	1	2	0	4
Ellsworth District Court	5	12	8	13
Ellsworth Superior Court	2	3	0	0
Machias District Court	0	5	2	5
Machias Superior Court	4	2	2	3
Region 7 Subtotal	12	24	12	25
Caribou District Court	0	0	1	0
Caribou Superior Court	7	19	10	9
Fort Kent District Court	0	1	0	0
Houlton District Court	2	2	3	3
Houlton Superior Court	1	1	2	3
Madawaska District Court	0	0	0	0
Presque Isle District Court	0	2	0	3
Region 8 Subtotal	10	25	16	18

HOMEOWNER ASSISTANCE ACTIVITY

While the Bureau has paused providing counseling services to homeowners through this outreach program because of funding constraints detailed in the prior quarterly report, the Bureau is administering the Maine Homeowners Assistance Fund (HAF), a grant fund for homeowners suffering a hardship associated with the coronavirus pandemic. HAF is a federal aid program established under the American Recovery Act administered by the U.S. Treasury. Maine received \$50 million dollars for its program. Maine HAF provides counseling and legal services as well as direct payments to creditors for past due home ownership expenses. The counseling offered under Maine HAF duplicates that which the foreclosure outreach program has provided since 2009.

From July 1, 2022 through September 30, 2022 the Bureau received applications for HAF from 1,409 homeowners. The program paid over \$1.4 million on behalf of homeowners at risk of having mortgages foreclosed or utilities cut off during that period. Other applicants received counseling or legal assistance through the program to assist in either qualifying for HAF or obtaining a loss mitigation resolution with their mortgage servicer.

INFORMATION FROM OTHER SOURCES

Corelogic, a global property information and analytics company, in its “*Loan Performance Insights-November, 2022*,” containing information through September of 2022, reported that nationwide, the percentage of loans delinquent 30 days or more was 2.8% in September of 2022 down from 3.9% in September of 2021. The Corelogic report went on to state:

“The nation’s overall delinquency rate for September was 2.8%. The rate for early-stage delinquencies – defined as 30 to 59 days past due – was 1.2% in September 2022, up slightly from September 2021. The share of mortgages 60 to 89 days past due was 0.4%, also up from September 2021. The serious delinquency rate – defined as 90 days or more past due, including loans in foreclosure – was 1.2%, down from 2.4% in September 2021. As of September 2022, the foreclosure inventory rate was 0.3%, up slightly from September 2021.”

All states showed some decline in the overall delinquency rate from September of 2021 with Maine having a decrease of less than 1%.