



**August 29, 2013**

## ***Foreclosure Starts Decline 16.7% Year-over-year and Foreclosure Inventory Declines 3.2% in 2<sup>nd</sup> Quarter 2013***

Gardiner – Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that foreclosures initiated during the 2<sup>nd</sup> quarter 2013 declined by 16.7% year-over-year from 84 loans in the 2<sup>nd</sup> quarter 2012 to 70 in the 2<sup>nd</sup> quarter 2013. Foreclosure inventory, at 307 loans, has also declined to its lowest level in the prior six quarters.

The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity on a quarterly basis since October 2006. The data is limited to the 31 financial institutions that have been state-chartered from the end of 2006 through June 2013. It does not include data from entities not regulated by the Bureau, such as federally-chartered banks, federally-chartered credit unions and mortgage companies licensed to do business in Maine. The most recent data covers April through June 2013.

At the close of the 2<sup>nd</sup> Quarter 2013, of the 60,000 first-lien mortgages held by Maine's 31 state-chartered banks and credit unions, 307 loans were in-process of foreclosure or 0.51%. This level represents a decline of 3.2% from 317 loans in-process of foreclosure at the previous two most recent quarter ends.

Completed foreclosures totaled 46 in 2<sup>nd</sup> quarter 2013 and have increased in comparison to year-over-year and the previous quarter totals. Completed foreclosures increased significantly year-over-year from an uncharacteristically low 26 loans at 2<sup>nd</sup> quarter 2012. However, the difference is not significant when compared to the previous eight, twelve, and sixteen quarter average completed foreclosure rate of 42 loans a quarter. Loans dropping-out of the foreclosure process, including negotiated resolutions and short sales, fell 23% year-over-year from 44 in the 2<sup>nd</sup> quarter 2012 to 34 in the 2<sup>nd</sup> quarter 2013, but increased 48% from a low of 23 in the 1<sup>st</sup> quarter 2013.

Early delinquencies (less than 90 days past due) have declined while more serious delinquencies (90 days or more past due) have increased. Early delinquencies dropped from 824 loans in the 1<sup>st</sup> quarter 2013 to 658 loans in the 2<sup>nd</sup> quarter 2013 or 28 basis points from 1.37% to 1.09%. More serious delinquencies increased from 514 loans in the 1<sup>st</sup> quarter 2013 to 568 loans in the 2<sup>nd</sup> quarter 2013 or 9 basis points from 0.85% to 0.94%. However, although more serious delinquencies increased this quarter it has declined year-over-year from 582 loans or 1.02% at 2<sup>nd</sup> quarter 2012.

Superintendent LaFountain reiterated that "foreclosure activity, while remaining above pre-recession levels, does not pose a threat to the stability of Maine's state-chartered financial institutions."

Maine Bureau of Financial Institutions  
Foreclosure Release – August 29, 2013

<b>1<sup>ST</sup> REM</b>	<b>12/06</b>	<b>12/07</b>	<b>12/08</b>	<b>12/09</b>	<b>12/10</b>	<b>12/11</b>	<b>12/12</b>
Number in Process of Foreclosure at Year-End	62	120	148	226	250	306	317
Foreclosures Completed YTD	N/A	52	119	126	176	172	159
Foreclosures Initiated YTD	N/A	N/A	201	305	303	375	325
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Year-End	.15%	.26%	.31%	.48%	.52%	.55%	.54%
Percent of Foreclosures Completed YTD to Average 1 <sup>st</sup> Lien REM	N/A	.12%	.25%	.27%	.37%	.34%	.28%
Percent of Foreclosures Initiated YTD to Average 1 <sup>st</sup> Lien REM	N/A	N/A	.42%	.64%	.64%	.73%	.57%

**Quarterly:**

<b>1<sup>ST</sup> REM</b>	<b>06/12</b>	<b>09/12</b>	<b>12/12</b>	<b>03/13</b>	<b>06/13</b>
Number in Process of Foreclosure at Quarter-End	315	347	317	317	307
Foreclosures Completed During the Quarter	26	40	46	42	46
Foreclosures Initiated During the Quarter	84	104	52	67	70
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Quarter-End	.55%	.60%	.54%	.53%	.51%
Percent of Foreclosures Completed During the Quarter to 1 <sup>st</sup> Lien REM	.05%	.07%	.08%	.07%	.08%
Percent of Foreclosures Initiated During the Quarter to 1 <sup>st</sup> Lien REM	.15%	.18%	.09%	.11%	.12%