



**November 14, 2013**

## ***Completed Foreclosures Exceed Initiated Foreclosures in the Third Quarter of 2013***

Gardiner – Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that foreclosure inventory at the end of the 3<sup>rd</sup> quarter, 2013 declined to its lowest level in the previous ten quarters. The decline is a result of fewer initiated foreclosures, which is consistent with national trends, and an increase in completed foreclosures. For the first time since the Bureau began its foreclosure survey, the number of completed foreclosures exceeded initiated foreclosures during the quarter.

The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity quarterly since 4<sup>th</sup> quarter 2006. The data is limited to the 31 financial institutions that have been state-chartered since year-end 2006 through September 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 July through September 2013.

At the close of the 3<sup>rd</sup> quarter 2013, of the 62,000 first-lien mortgages held by Maine's 31 state-chartered banks and credit unions, 266 loans were in-process of foreclosure or 0.43% of first-lien mortgages. This level represents: 1) a decline of 13% from 307 loans at the previous quarter end; 2) a decline of 23% from 347 loans in the previous year's 3<sup>rd</sup> quarter; and 3) the fourth consecutive quarterly decline of loans in-process of foreclosure.

Completed foreclosures totaled 62 in 3<sup>rd</sup> quarter 2013 and have increased substantially year-over-year and from the previous quarter. Completed foreclosures have increased from 40 loans at 3<sup>rd</sup> quarter 2012 and from 46 loans at 2<sup>nd</sup> quarter 2013. Loans dropping-out of the foreclosure process, including negotiated resolutions and short sales, totaled 37 loans in 3<sup>rd</sup> quarter 2013 representing an increase from 34 loans in the previous quarter and from 32 loans in the 3<sup>rd</sup> quarter 2012.

Both early delinquencies (less than 90 days past due) and more serious delinquencies (90 days or more past due) have declined from the most recent quarter end. Despite the decline from the previous quarter, early delinquencies totaling 647 loans in 3<sup>rd</sup> quarter 2013 remain greater in number compared to 585 loans in 3<sup>rd</sup> quarter 2012; yet, the early delinquency ratio only increased from 1.02% to 1.05% of first lien mortgages. More serious delinquencies declined from 595 loans in the 3<sup>rd</sup> quarter 2012 to 521 loans in the 3<sup>rd</sup> quarter 2013, lowering the more serious delinquency ratio 19 basis points from 1.03% to 0.84%.

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 – November 14, 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>12-Sep</b>	<b>12-Dec</b>	<b>13-Mar</b>	<b>13-Jun</b>	<b>13-Sep</b>
Number in Process of Foreclosure at Quarter-End	347	317	317	307	266
Foreclosures Completed During the Quarter	40	46	42	46	62
Foreclosures Initiated During the Quarter	104	52	67	70	58
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Quarter-End	0.60%	0.54%	0.53%	0.51%	0.43%
Percent of Foreclosures Completed During the Quarter to 1 <sup>st</sup> Lien REM	0.07%	0.08%	0.07%	0.08%	0.10%
Percent of Foreclosures Initiated During the Quarter to 1 <sup>st</sup> Lien REM	0.18%	0.09%	0.11%	0.12%	0.09%