




STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION
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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 – 49th Periodic Report

DATE: December 7, 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).



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Default Notices Mailed to Homeowners

During the first quarter of 2022, the Bureau mailed 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:

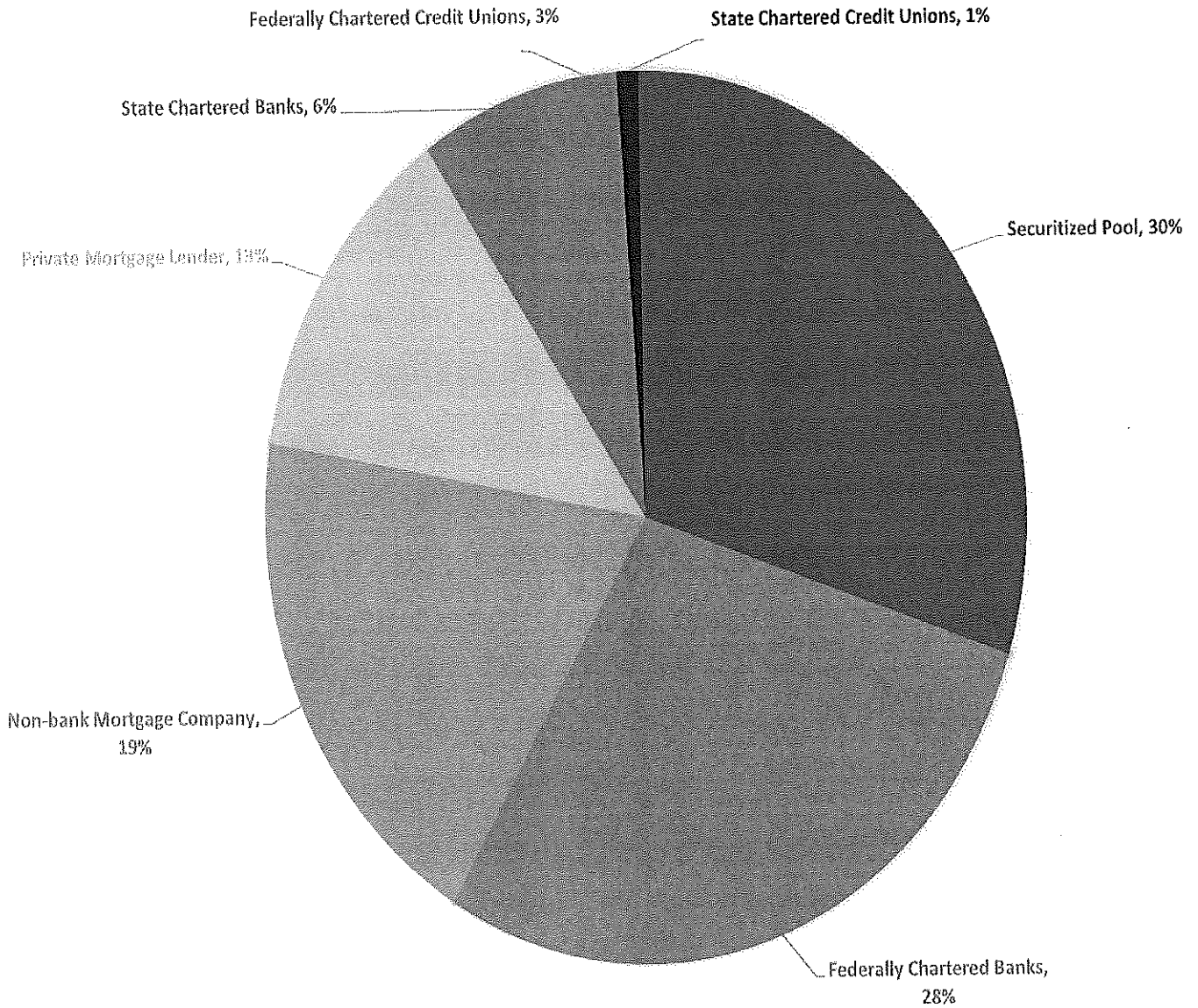
Type	Jan-22	Feb-22	Mar-22
Federally Chartered Banks	280	279	310
Private Mortgage Lender	104	155	128
State Chartered Banks	76	52	52
Non-bank Mortgage Company	159	210	215
Federally Chartered Credit Unions	33	30	16
State Chartered Credit Unions	7	11	11
Securitized Pool	345	306	267
Total:	1004	1099	999

The notices were broken down by county as follows:

County	Jan-22	Feb-22	Mar-22
Androscoggin	85	95	98
Aroostook	61	53	46
Cumberland	136	161	156
Franklin	32	23	18
Hancock	32	38	42
Kennebec	94	90	101
Knox	21	36	29
Lincoln	27	25	26
Oxford	84	73	91
Penobscot	121	113	79
Piscataquis	18	12	15
Sagadahoc	38	60	45
Somerset	45	73	49
Waldo	35	51	50
Washington	28	4	18
York	147	182	136
Total	1004	1099	999

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

QUARTER 1 2022 NOTICES BY OWNER TYPE



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 and the first quarter of 2022.

Region/Court	4th Qtr Oct-Dec 2021	1st Qtr Jan- Mar 2022
STATEWIDE TOTAL	176	282
Alfred Superior Court	7	7
Biddeford District Court	11	12
Springvale District Court	6	12
York District Court	1	7
Region 1 Subtotal	25	38
Bridgton District Court	6	10
Portland District Court	0	0
Portland Superior Court	19	27
Region 2 Subtotal	25	37
Auburn Superior Court	5	5
Farmington District Court	2	5
Farmington Superior Court	0	3
Lewiston District Court	7	23
Livermore Falls District Court	0	0
Rumford District Court	1	4
South Paris District Court	6	5
South Paris Superior Court	17	10
Region 3 Subtotal	38	55
Augusta District Court	5	8
Augusta Superior Court	7	9
Skowhegan District Court	6	15
Skowhegan Superior Court	6	4
Waterville District Court	1	7
Region 4 Subtotal	25	43
Bangor District Court	5	8
Bangor Superior Court	5	7
Dover Foxcroft District Court	2	3
Dover Foxcroft Superior Court	0	0
Lincoln/Millinocket District Court	2	3
Newport District Court	0	6

Region 5 Subtotal	14	27
Bath Superior Court	2	0
Belfast District Court	2	8
Belfast Superior Court	0	1
Rockland District Court	7	3
Rockland Superior Court	5	1
West Bath District Court	6	13
Wiscasset District Court	4	5
Wiscasset Superior Court	1	2
Region 6 Subtotal	27	33
Bar Harbor District Court	0	0
Calais District Court	1	2
Ellsworth District Court	5	12
Ellsworth Superior Court	2	3
Machias District Court	0	5
Machias Superior Court	4	2
Region 7 Subtotal	12	24
Caribou District Court	0	0
Caribou Superior Court	7	19
Fort Kent District Court	0	1
Houlton District Court	2	2
Houlton Superior Court	1	1
Madawaska District Court	0	0
Presque Isle District Court	0	2
Region 8 Subtotal	10	25

COUNSELOR ACTIVITY

During the months of January, February and March of 2022, counselors under contract with the Bureau assisted thirty-one households facing possible foreclosure remain in their homes. Eight homeowners were able to bring their mortgages current, sixteen homeowners received loan modifications four were granted a forbearance or repayment plan, two were able to refinance and one received an FHA partial claim. An additional six homeowners received assistance in obtaining a result which, although not allowing them to stay in the home, minimized the financial impact of the threatened foreclosure. Three were able to sell the home and pay off the mortgage, one sold the home on a short sale and 2 gave a deed in lieu of foreclosure to their lenders.

For the quarter, the Bureau assigned seventy-eight cases to counselors. Twenty-one homeowners contacted counselors directly either after receiving an informational letter from the BCCP or reviewing the BCCP website. Counselors received an additional forty-six cases which were referred to them from other sources such as Senate or House offices or from community service organizations.

INFORMATION FROM OTHER SOURCES

Corelogic, a global property information and analytics company, in its "*Loan Performance Insights-June, 2022*," containing information through March of 2022, reported that nationwide, the percentage of loans 30 days or more delinquent was 2.7% in March of 2022 down from 4.9% in March of 2021. The rate at the end of the prior quarter (December 31, 2021) was 3.4%. The Corelogic report went on to state:

"The national mortgage delinquency rate once again declined year over year and reached another historic low in March, with foreclosure activity following suit. A strong job market and income growth continue to drive down the number of property owners who are late on their mortgage payments, while rising home prices and the resulting equity gains are providing alternative options to those who may be coming out of forbearance and/or facing foreclosures. In the first quarter of 2022, U.S. homeowners saw equity increase by more than 32% on an annual basis, with the average borrower earning nearly \$64,000 over the past year."

The report also stated:

"The nation's overall delinquency rate for March was 2.7%. The rate for early-stage delinquencies – defined as 30 to 59 days past due – was 1% in March 2022, unchanged from March 2021. The share of mortgages 60 to 89 days past due was 0.3%, down from 0.4% in March 2021. The serious delinquency rate – defined as 90 days or more past due, including loans in foreclosure – was 1.4%, down from 3.5% in March 2021.

As of March 2022, the foreclosure inventory rate was 0.2%, down from 0.3% in March 2021."

