

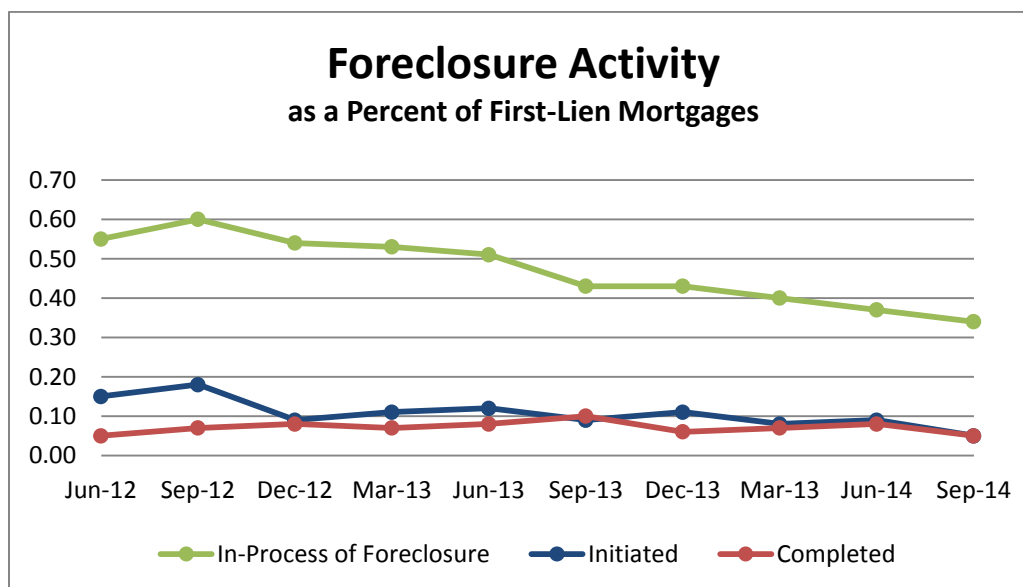


**November 14, 2014**

***Quarterly Initiated Foreclosure Filings Hit Six Year Low  
Among Maine's State-Chartered Financial Institutions***

Gardiner – Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that initiated foreclosure filings in the 3<sup>rd</sup> quarter 2014 dropped significantly compared to recent quarters and marked the lowest quantity of quarterly filings since 2<sup>nd</sup> quarter 2008.

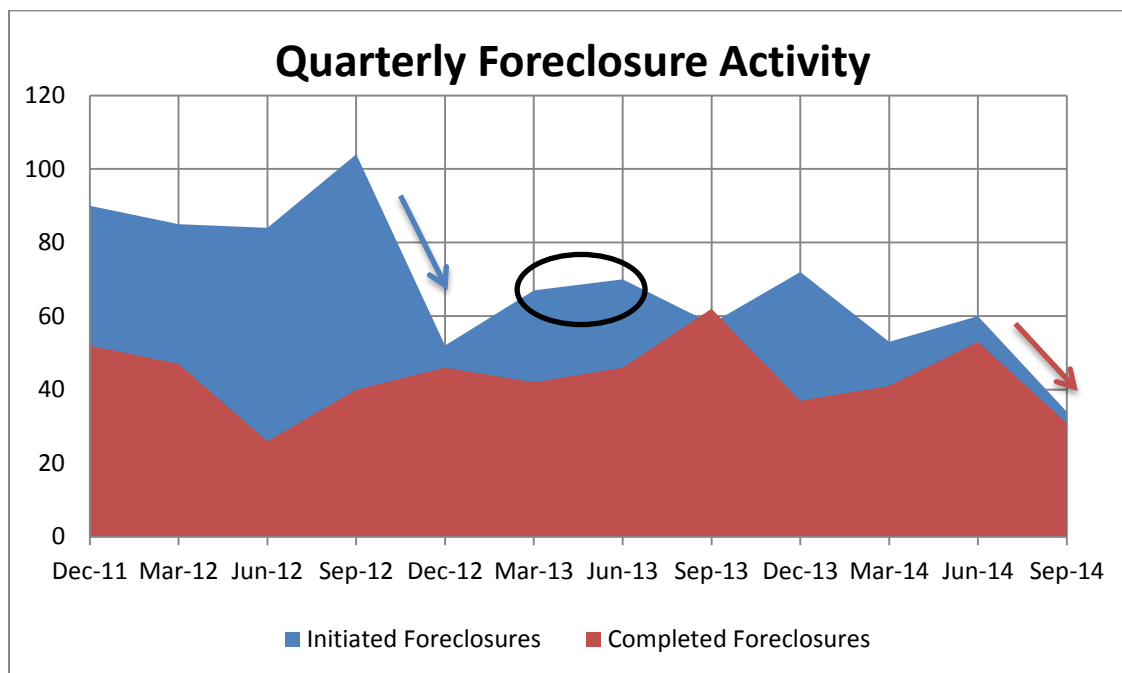
The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity quarterly since the 4<sup>th</sup> quarter 2006. The data is limited to the 31 financial institutions that have been state-chartered since year-end 2006 through September 2014. It does not include 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.



At the close of the 3<sup>rd</sup> quarter 2014, Maine's 31 state-chartered banks and credit unions held 65,000 first-lien mortgages of which 223 were in-process of foreclosure. This level, representing 0.34% of first-lien mortgages, has consistently declined from a high of 0.60% reported in the 3<sup>rd</sup> quarter of 2012. The Foreclosure Activity chart depicts the declining level of first-lien mortgages in-process of foreclosure as well as the percentage of initiated and completed foreclosures in the past ten quarters. The level of initiated foreclosures reached a high of 0.18%, also in the 3<sup>rd</sup> quarter 2012, and then stabilized near the 0.10% level, before declining to 0.05% in the 3<sup>rd</sup> quarter 2014. The level of completed foreclosures is also stable, averaging 0.07% in the past ten quarters and ranging between 0.05% and 0.10%. Refer to the data charts on page three for greater detail.

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Initiated foreclosures dropped to 34 in the 3<sup>rd</sup> quarter 2014, representing a decline from 60 reported in the previous quarter and 58 reported one year earlier. Completed foreclosures fell to 31 in the 3<sup>rd</sup> quarter 2014, also representing a decline from 53 reported in the previous quarter and 62 reported one year earlier. Loans dropping out of the foreclosure process, including negotiated resolutions and short sales, totaled 18 in the 3<sup>rd</sup> quarter 2014.



The Quarterly Foreclosure Activity chart displays the volume of initiated and completed foreclosures for the previous twelve quarters. In foreclosure releases issued earlier this year, the Bureau identified a positive correlation between the level of initiated foreclosures and the level of completed foreclosures roughly 21-24 months later. Refer to the [1<sup>st</sup> Quarter 2014 Foreclosure Release](#) and the [2<sup>nd</sup> Quarter 2014 Foreclosure Release](#) for further detail.

As projected [last quarter](#), completed foreclosures declined in the 3<sup>rd</sup> quarter 2014 following the same trend of initiated foreclosures 21 months earlier in the 4<sup>th</sup> quarter 2012. Arrows in the Quarterly Foreclosure Activity chart depict the trend in both categories. Should this pattern continue, the level of completed foreclosures is likely to increase in early 2015, possibly as early as the 4<sup>th</sup> quarter 2014, based on the increased level of initiated foreclosures in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2013 as circled in the chart above.

Early delinquencies (less than 90 days past due) also declined from recent periods. The early delinquency ratio of 0.83% at the end of the 3<sup>rd</sup> quarter 2014 declined from 1.47% at year-end 2013 and from 1.05% one year earlier. More serious delinquencies (90 days or more past due), representing 0.75% of the first-lien mortgages at the end of the 3<sup>rd</sup> quarter 2014, continue to improve from the peak of 1.24% at year-end 2010.

Superintendent LaFountain reiterated that “foreclosure activity, while marginally above pre-recession levels, continues to improve each quarter and does not pose a threat to the stability of Maine’s state-chartered financial institutions.”

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**Annually:**

<b>1<sup>ST</sup> REM</b>	<b>Dec-08</b>	<b>Dec-09</b>	<b>Dec-10</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13</b>
Number in Process of Foreclosure at Year-End	148	226	250	306	317	271
Foreclosures Completed YTD	119	126	176	172	159	187
Foreclosures Initiated YTD	201	305	303	375	325	267
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Year-End	0.31%	0.48%	0.52%	0.55%	0.54%	0.43%
Percent of Foreclosures Completed YTD to Average 1 <sup>st</sup> Lien REM	0.25%	0.27%	0.37%	0.34%	0.28%	0.31%
Percent of Foreclosures Initiated YTD to Average 1 <sup>st</sup> Lien REM	0.42%	0.64%	0.64%	0.73%	0.57%	0.44%

**Quarterly:**

<b>1<sup>ST</sup> REM</b>	<b>Sep-13</b>	<b>Dec-13</b>	<b>Mar-14</b>	<b>Jun-14</b>	<b>Sep-14</b>
Number in Process of Foreclosure at Quarter-End	266	271	251	239	223
Foreclosures Completed During the Quarter	62	37	41	53	31
Foreclosures Initiated During the Quarter	58	72	53	60	34
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Quarter-End	0.43%	0.43%	0.40%	0.37%	0.34%
Percent of Foreclosures Completed During the Quarter to 1 <sup>st</sup> Lien REM	0.10%	0.06%	0.07%	0.08%	0.05%
Percent of Foreclosures Initiated During the Quarter to 1 <sup>st</sup> Lien REM	0.09%	0.11%	0.08%	0.09%	0.05%