



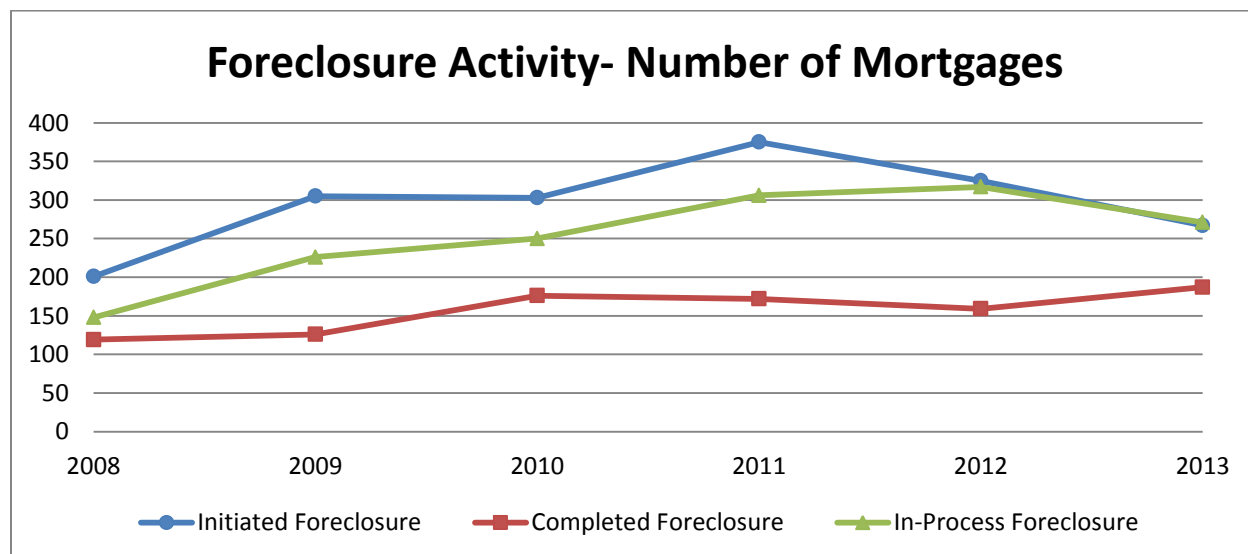
**March 6, 2014**

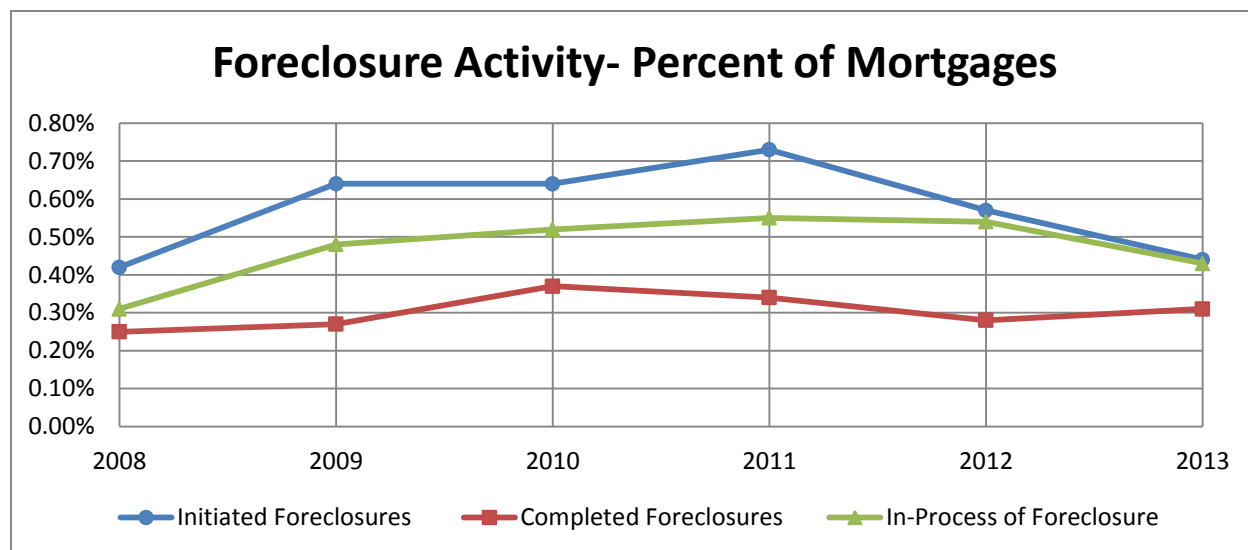
### ***Initiated Foreclosures Fall 18% and Serious Delinquencies Decline***

Gardiner – Bureau of Financial Institutions’ Superintendent Lloyd P. LaFountain III announced today that foreclosures initiated on first residential real estate loans declined 18% annually to the lowest annual level since 2008. The total delinquency ratio fell from 2.50% at year-end 2012 to 2.27% at year-end 2013 primarily driven by a reduction in loans past due 90 days or more. The decline of more serious delinquencies (loans past due 90 days or more) may indicate a trend of fewer initiated foreclosures in 2014.

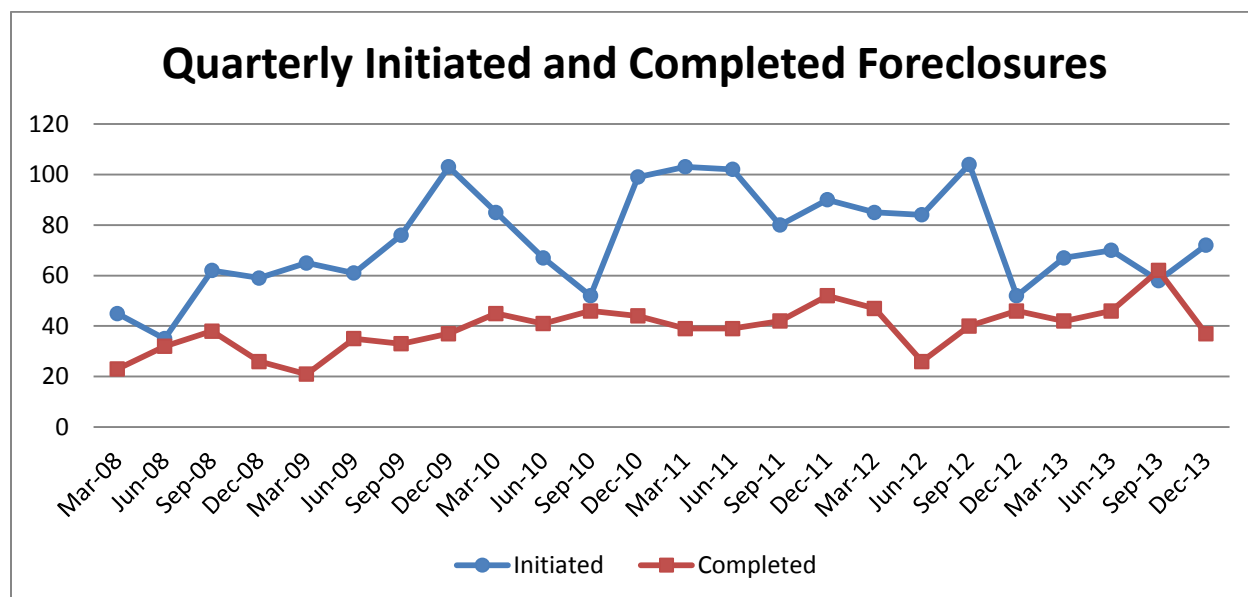
The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity quarterly since 4<sup>th</sup> quarter 2006. The data is limited to the 31 financial institutions that have been state-chartered since year-end 2006 through December 2013. It does not include data 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.

At the close of the 2013, of the 63,000 first-lien mortgages held by Maine’s 31 state-chartered banks and credit unions, 271 loans were in-process of foreclosure. This level, representing 0.43% of first-lien mortgages, declined from 0.54% in 2012 and is the lowest year-end percentage level since 2008. It continues to decline from its high of 0.55% at calendar year-end 2011 as initiated foreclosures slowed both in 2012 and in 2013. Initiated foreclosures for calendar year 2013 totaled 267, 58 less than the 325 filings in 2012. Completed foreclosures totaled 187 during 2013, 28 more than the 159 completed foreclosures in 2012. For the first time, annual initiated foreclosures were less than the total number of first mortgage loans in-process of foreclosure at year-end.





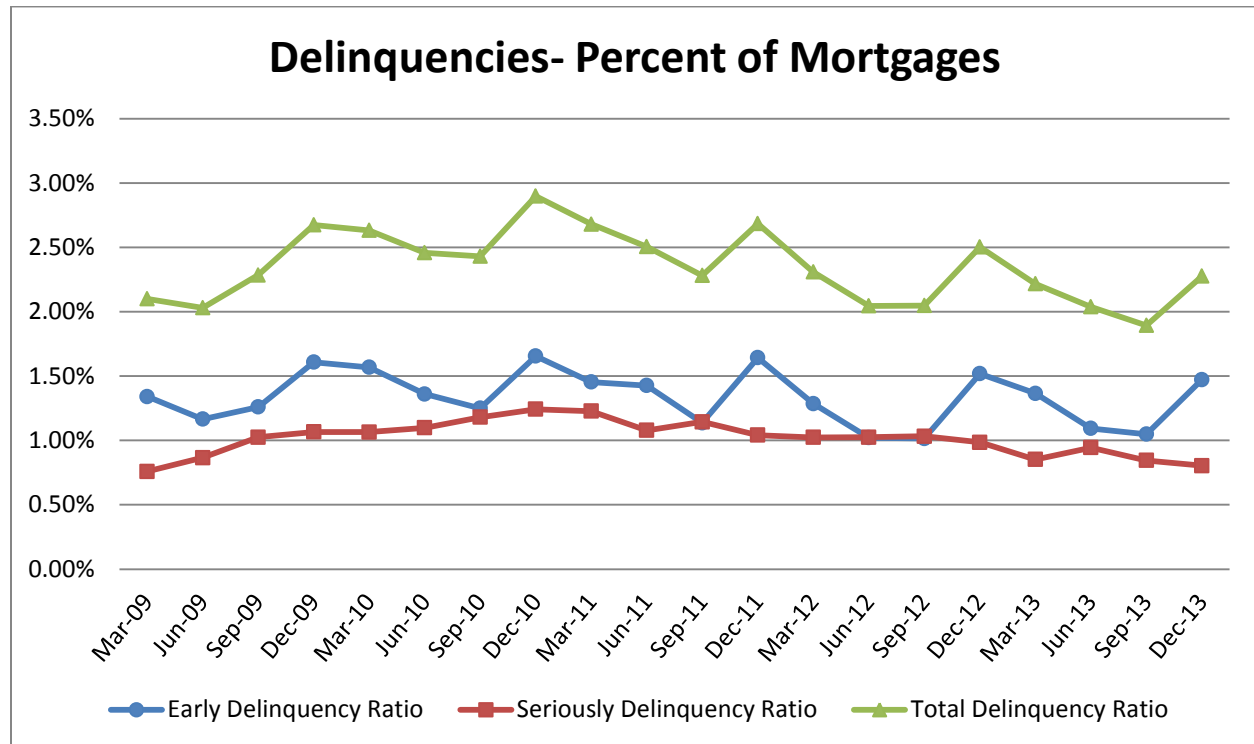
Initiated foreclosures totaled 72 in the 4<sup>th</sup> quarter 2013, and is elevated compared to the unusually low reporting periods of 58 in the 3<sup>rd</sup> quarter 2013 and 52 in the previous year 4<sup>th</sup> quarter 2012. Completed foreclosures totaled 37 in the 4<sup>th</sup> quarter 2013, less than comparable periods of 62 in 3<sup>rd</sup> quarter 2013 and 46 in the 4<sup>th</sup> quarter 2012. Loans dropping out of the foreclosure process, including negotiated resolutions and short sales, totaled 27 in the 4<sup>th</sup> quarter 2013, approximately 10 less than both previous quarter and year-over-year.



Early delinquencies (less than 90 days past due) continue to decline compared to previous years' 4<sup>th</sup> quarter results. The early delinquency ratio declined to 1.47% at 12/31/2013, from 1.52% at year-end 2012, 1.64% at year-end 2011, and its peak of 1.66% at year-end 2010. Historically, as seen in the chart below, early delinquencies spike in the 4<sup>th</sup> quarter and progressively improve each consecutive quarter reaching the calendar year low in 3<sup>rd</sup> quarter. This is likely a result of borrowers getting slightly behind on their mortgage obligations due to seasonal expenses then recovering in subsequent quarters. More serious delinquencies,

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representing 0.80%, have far less seasonality and have slowly declined from the peak of 1.24%, also at year-end 2010.



Maine’s state-chartered banks and credit unions continue to report signs of recovery. Initiated foreclosure filings continued to decline in 2013 and foreclosure inventory has declined to its lowest percentage of outstanding first lien mortgages since 2008.

Superintendent LaFountain reiterated that “foreclosure activity, while remaining above pre-recession levels, appears to be slowly abating 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>Dec-12</b>	<b>Mar-13</b>	<b>Jun-13</b>	<b>Sep-13</b>	<b>Dec-13</b>
Number in Process of Foreclosure at Quarter-End	317	317	307	266	271
Foreclosures Completed During the Quarter	46	42	46	62	37
Foreclosures Initiated During the Quarter	52	67	70	58	72
Percent of 1 <sup>st</sup> Lien REM In Process of Foreclosure at Quarter-End	0.54%	0.53%	0.51%	0.43%	0.43%
Percent of Foreclosures Completed During the Quarter to 1 <sup>st</sup> Lien REM	0.08%	0.07%	0.08%	0.10%	0.06%
Percent of Foreclosures Initiated During the Quarter to 1 <sup>st</sup> Lien REM	0.09%	0.11%	0.12%	0.09%	0.11%