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Maine Bureau of Financial Institutions

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Bureau of Financial Institutions

July 12, 2012

1st Quarter Survey of Maine Banks and Credit Unions Shows Few Changes From Fourth Quarter 2011.

New foreclosures and Completed Foreclosures Decrease, but Loans In The Process of Foreclosure Increase.

Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that the first quarter 2012 survey covering first residential mortgage loans held by Maine's 32 state-chartered banks and credit unions continued to show mixed performance.

Positive indicators included a decrease in the number of foreclosures started and foreclosures completed in the first quarter. Further, the number of 1st lien residential mortgage loans that were less than 90 days past due decreased significantly from 912 on December 31, 2011 to 725 on March 31, 2012. This decrease is consistent with national trends and likely results from improving economic conditions and employment. Those loans that are more seriously delinquent, 90 days or more past due, decreased by only one loan to 577.

The Bureau has been surveying the 32 state-chartered banks and credit unions regarding foreclosure activity on a quarterly basis since October 2006. The data is limited to the 32 financial institutions that have been state-chartered from the end of 2006 through March 2012. 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 January through March 2012.

At the close of the first quarter, of the over 56,000 1st mortgages held by Maine state-chartered banks and credit unions, there were 311 in process of foreclosure, or one loan for every 181 first mortgages. This is up from 306 at the end of the fourth quarter of 2011. As a percentage of first mortgages, loans in the process of foreclosure remain relatively low at 0.55%. Foreclosure starts decreased by four loans to a total of 86. Foreclosures completed last quarter decreased by seven loans from the fourth quarter of 2011 total of 54, to a total of 47. Overall, foreclosures completed remain historically high, but the overall number is low in relation to the total number of 1st mortgages outstanding.

“Foreclosure activity at Maine’s 32 state-chartered financial institutions, while above historical levels, does not pose a threat to the financial stability of these institutions and continues to compare favorably to foreclosure statistics reported by other mortgage lenders in many states.” Superintendent LaFountain commented.

In Process of Foreclosure	12/06	12/07	12/08	12/09	12/10	12/11	03/12
Number of 1 st Lien RE Mortgages	62	120	148	226	250	306	311
% IPOF	.15%	.26%	.31%	.48%	.52%	.55%	.55%
Net Increase	N/A	52.2%	31.8%	31.5%	36.1%	11.5%	17.0%
% IPOF / Past Due Over 90Days	N/A	N/A	N/A	45.2%	42.2%	52.9%	53.9%

Foreclosures Initiated	03/08	12/08	12/09	12/10	12/11	03/12
Number of 1 st Lien RE Mortgages	45	59	103	99	90	86
% of 1 st Lien RE Mortgages	.09%	.12%	.22%	.21%	.16%	.15%
% FC Starts to 1 st Lien RE Mortgages	1,060	813	455	481	617	656
% FC Starts to Past Due Over 90 Days	N/A	N/A	21.5%	17.6%	15.3%	11.8%

Foreclosures Completed	2006	2007	2008	2009	2010	2011	03/12
Number of 1 st Lien RE Mortgages Foreclosed	50	52	119	126	176	172	47
% of 1 st Lien RE Mortgages	.12%	.12%	.24%	.27%	.37%	.35%	.35%
% Foreclosed to IPOF at Quarter End		12/07 18.9%	12/08 19.7%	12/09 18.5%	12/10 20.4%	12/11 16.7%	03/12 15.4%

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