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## 2nd Quarter Foreclosure Survey of Maine Banks and Credit Unions New foreclosures initiated are steady while completed foreclosures decline 2012

Maine Bureau of Financial Institutions

Maine Department of Professional & Financial Regulation

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September 20, 2012

## **2<sup>nd</sup> Quarter Foreclosure Survey of Maine Banks and Credit Unions**

*New foreclosures initiated are steady while completed foreclosures decline.*

Gardiner – Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that while foreclosures initiated during the 2nd quarter increased slightly from 85 to 88 from the prior quarter, the percentage of foreclosure starts to outstanding mortgages remained steady at .15% or one for every 645 first mortgages outstanding.

Completed foreclosures decreased from 47 to 23 in the 2nd quarter, with the corresponding rate of completions to all outstanding 1<sup>st</sup> lien residential mortgages falling from .08% at March 31 to .04% at June 30. Also, 44 mortgages that were in foreclosure dropped out of the foreclosure process during the quarter. The corresponding rate of loans dropping out of the process increased from 11.1% to 14.2%.

At the close of the Quarter, of the over 56,700 first mortgages held by the 32 state-chartered banks and credit unions, there were 331 loans in the process of foreclosure. This is an increase from 310 in the prior quarter. This is the highest number of loans in process of foreclosure since the Bureau began tracking foreclosures in 2006 and is likely due, at least in part, to Maine's judicial foreclosure and mediation process. Loans in foreclosure that have been successfully mediated can remain in the process of foreclosure until several months of payments have been made.

Positive indicators included a decrease in the number of delinquent 1<sup>st</sup> lien residential mortgages that were less than 90 days past due. These delinquencies declined from 725 to 580 or 27 basis points from 1.29% to 1.02%. Those loans that are more seriously delinquent, 90 days or more past due, increased slightly 577 to 582, with the corresponding delinquency ratio remaining static at 1.02%. The delinquency rate for those mortgages under 90 days past due is the lowest since March 2009 and the delinquency rates for those mortgages over 90 days past due is the lowest since September 2009.

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 June 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 April through June 2012.

Superintendent LaFountain reiterated that "foreclosure activity, while above historical levels, does not pose a threat to the stability of Maine's state-chartered financial institutions."

Maine Bureau of Financial Institutions  
 Foreclosure Release – September 20, 2012

<b>In Process of Foreclosure</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>03/12</b>	<b>06/12</b>
Number of 1 <sup>st</sup> Lien RE Mortgages	62	120	148	226	250	306	310	331
% IPOF	.15%	.26%	.31%	.48%	.52%	.55%	.55%	.58%
Net Increase	N/A	52.2%	31.8%	31.5%	36.1%	11.5%	16.7%	14.2%
% IPOF / Past Due Over 90Days	N/A	N/A	N/A	45.2%	42.2%	52.9%	53.7%	56.9%
% Drop-Outs	N/A	N/A	12.9%	20.0%	9.7%	16.4%	11.1%	14.2%

<b>Foreclosures Initiated</b>	<b>03/08</b>	<b>12/08</b>	<b>12/09</b>	<b>12/10</b>	<b>12/11</b>	<b>03/12</b>	<b>06/12</b>
Number of 1 <sup>st</sup> Lien RE Mortgages	45	59	103	99	90	85	88
% of 1 <sup>st</sup> Lien RE Mortgages	.09%	.12%	.22%	.21%	.16%	.15%	.15%
% FC Starts to 1 <sup>st</sup> Lien RE Mortgages	1,060	813	455	481	617	663	645
% FC Starts to Past Due Over 90 Days	N/A	N/A	21.5%	17.6%	15.3%	11.8%	15.3%

<b>Foreclosures Completed</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>03/12</b>	<b>06/12</b>
Number of 1 <sup>st</sup> Lien RE Mortgages Foreclosed	50	52	119	126	176	172	47	23
% Foreclosed to Outstanding 1 <sup>st</sup> Lien RE Mortgages	.12%	.12%	.24%	.27%	.37%	.35%	.084%	.041%
% Foreclosed to IPOF at prior 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%	06/12 7.4%