



Capital *for* Opportunity *and* Change

**Testimony of Laura Buxbaum, CEI
Joint Standing Committee on Judiciary
LD 1389, an Act to Expedite the Foreclosure Process**

Senator Valentino, Representative Priest, and members of the Joint Standing Committee on Judiciary:

Thank you for this opportunity to testify regarding the proposed amendment to LD 1389, An Act to Expedite the Foreclosure Process.

My name is Laura Buxbaum, and I am Director of Housing Resource and Policy Development at CEI in Wiscasset, Maine. Also here with me is Jason Thomas, Interim Director of CEI's Housing Counseling and Education Program. CEI is a 501(c)(3) nonprofit community development corporation and community development financial institution serving the state of Maine and beyond. Our foreclosure prevention counseling program is one of the largest in the state.

CEI was active in the development of the foreclosure prevention and mediation program approved by the Maine Legislature in 2009, and has continued to work with stakeholders to support and strengthen this very important and effective program. We were active participants in the process convened by Attorney General Janet Mills this past summer and fall.

To open, I'd like to thank Attorney General Mills for her leadership in convening and coordinating the extensive review process that led to her report and the amendment now before you. We appreciated the broad representation of stakeholders and the extensive interviews, research and preparation that went into the process and are reflected in the report and proposed amendment.

Overall, CEI supports the amendment. We appreciate that they reflect an understanding of the value of and need for both foreclosure mitigation counseling and a court mediation process. We support the language designed to close a transfer tax loophole and increase funds for housing counseling. We support stronger, clearer and more consistent standards for mediator training and procedures as reflected in the amendment.

We also appreciate the improved language defining Abandoned Properties and outlining an expedited process. While we are still not certain that the definition and process provide sufficient protection to homeowners, we believe that the proposed language is a large step in the right direction.

If we were to make any suggestions for changes or additions, the most important would be the addition of a requirement of Servicer Duty of Good Faith and Fair Dealing.

We might also suggest that mediators receive training regarding the new CFPB regulations along with HAMP, Treasury and other programs that are listed in the amendment.

Finally, I want to emphasize the value and effectiveness of the mediation process and the housing counseling that supplements it. As is clear from the latest report from the Bureau of Consumer Credit Protection, foreclosures remain high in Maine. And while other programs purport to provide consumer protection and avenues for foreclosure avoidance, our experience has been that we cannot rely on programs like HAMP, Servicer Standards, or even federal regulation to assure consumers the protection and rights they are due. In particular, the national servicers often require additional incentives or mandates to ensure compliance, and Maine's program has provided that.

Thank you once again for the opportunity to speak, and for your work on behalf of Maine residents.