



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION
35 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0035

Janet T. Mills
GOVERNOR

Linda Conti
Acting Superintendent

March 30, 2023

Senator Anne Carney, Chair
Representative Matt Moonen, Chair
Joint Standing Committee on Judiciary
100 State House Station
Augusta, ME 04333

Re: LD 1015 "Resolve, Establishing the Commission to Study the Foreclosure Process"

Dear Senator Carney, Representative Moonen and members of the Committee:

The Bureau of Consumer Credit Protection (BCCP) takes a position "neither for nor against" LD 1015, "Resolve, Establishing the Commission to Study the Foreclosure Process". The resolve would establish a commission to study the foreclosure process in Maine. The commission would be directed to consider the laws and state agency rules governing the foreclosure process, the various timelines of specific procedures in the foreclosure process and how those timelines affect the availability of foreclosed properties for affordable housing; the effect on the foreclosure process of mortgages sold in the secondary mortgage market by large financial institutions and the ability of small financial institutions in the State to work to keep property owners out of foreclosure and to make foreclosed property available for sale quickly; and how problems in the foreclosure process can be mitigated without losing existing consumer protections. The commission would be required to submit a report no later than December 6, 2023, including suggested legislation.

BCCP submits to the Committee a copy of a foreclosure study done by the Attorney General's Office dated January 2014. The study dealt with perceived increasing timelines for completing foreclosures in Maine. The results set out in the report may moot the need for a current study or at least minimize the work involved by giving a new commission a starting and reference point.

Complaints from both homeowners and lenders about the time involved in completing the foreclosure process in Maine were received frequently by BCCP in the period from 2010 to 2017. Such complaints are not commonly received now. Between 2010 and 2013 there was an average of 4,800 foreclosure cases a year filed in Maine. From April 1 of 2020 through March 31 of 2022 there were a total of 1,045 foreclosure cases filed in Maine. The low number was due in large part to the coronavirus and foreclosure moratoria related thereto, but numbers have not bounced back higher even though all moratoria have been lifted for over a year. The total filings



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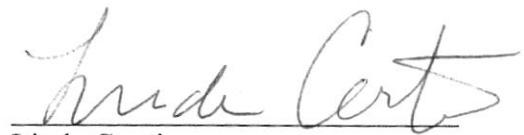
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for 2022 totaled 1,029 cases. The quarterly numbers for filings for 2022 were 282, 249, 283 and 215.

Thank you for considering this information. If we can provide assistance before or at the work session, please let us know.



Linda Conti
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Acting Superintendent.