



February 24, 2025

**Testimony to the 132<sup>nd</sup> Maine Legislature  
Committee on Judiciary**

Good afternoon, Senator Carney, Representative Kuhn, and honorable members of the Committee. My name is Josh Steirman and I am the Director of Government Relations for the Maine Bankers Association. The Maine Bankers Association is the trade association representing 34 retail banks across Maine, with over 9,000 employees in virtually every community state-wide. Last year, our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Banks are deeply embedded in their communities: last year, bankers volunteered over 145,000 hours, and donated over \$18 million to charitable causes. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

We are testifying today in opposition to L.D. 403, *An Act to Protect Holders of Distressed Mortgages from Fraud*. This well-intentioned bill will would create unintended consequences, and it is likely to generate additional foreclosure burden on homeowners.

In particular, we are concerned about the proposed 90 day filing window. This would limit the amount of time in which a borrower and lender can negotiate to seek alternative solutions. Inadvertently, it might prematurely encourage foreclosures when some other deal might have been plausible if more time was available to negotiate. Considered together with existing federal guidance on when a foreclosure can be filed, the window to seek alternate solutions is increasingly narrow. One alternate solution to consider is requiring a new notice to the mortgagor if foreclosure action does not commence within the 90 days.

Our opposition to this bill is grounded in a strong desire to prevent residential foreclosures whenever possible. Maine banks work with customers who find themselves in challenging circumstances and seek flexible solutions to keep a borrower in their home whenever possible. Banks work creatively within the parameters of a highly regulated industry. Unfortunately, new timelines in this bill would limit the negotiation window customers and lenders have to work together and find solutions.

Details of the foreclosure process are complex and nuanced, and it is an important policy matter. We urge the committee to put its energy for this issue toward L.D. 184, which would more comprehensively study the foreclosure process in Maine. Thank you for your consideration.

Respectfully Submitted,

Joshua Steirman  
Director of Government Relations