



April 11, 2025

**Testimony to the 132nd Maine Legislature
Committee on Judiciary**

Good afternoon, Senator Carney, Representative Kuhn, honorable members of the Committee. My name is Josh Steirman and I am the Director of Government Relations for the Maine Bankers Association. We are testifying today in opposition to L.D. 1444, *An Act to Prevent Foreclosures Without Strict Compliance with Notice Requirements*.

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.

The residential foreclosure process here in Maine is one of the lengthiest of any state in the nation, normally taking a minimum of 15 months, and typically much longer, often several years. This timeline is simply too long, because even after it becomes clear that a home-owner has no intention of keeping their house, stakeholders must proceed through many mandatory waiting periods, multiple rounds of mediation, and several steps through our already backlogged court system. Over this time properties are typically abandoned and deteriorating: unmaintained inside and out, pipes freezing, lawns overgrown, sitting vacant at a time when our state is in dire need of housing units, instead of being rehabilitated and returned to use. This bill would lengthen that timeline and exacerbate the housing crisis in Maine.

Significant consumer protections already exist within Maine law. Recent decisions of the Supreme Judicial Court provided clarity and reasonable certainty to a system which remains substantially weighted toward caution and consumer protection. The legal standard proposed in this law would undo the court's thoughtful evolution. If a party in litigation makes a mistake, it is reasonable to rewind the process; however it is unreasonable to preclude any further legal action because of items as small and as minor as transcription ambiguities.

Foreclosure law is complex and multi-layered; any changes should be evaluated by experienced professionals with technical expertise. If the Legislature wishes to consider changes to foreclosure laws, we urge you to instead pass L.D. 184, *Resolve, Establishing the Commission to Study the Foreclosure Process*. L.D. 184 would comprehensively study this issue by convening a panel of experts and reporting recommendations back to this committee for further decision-making. The holistic approach sought in L.D. 184 is much more appropriate to this technical and nuanced area of law.

We want to make clear for the committee that residential foreclosures in Maine are exceedingly rare, and almost always a last resort for both a borrower and their lender. Foreclosures are unfortunate, and

consumers deserve fair due process before the process is finalized. However, once it becomes clear that a homeowner no longer has the wherewithal to maintain their residence, completing the foreclosure process efficiently is the best way to ensure that properties do not become blighted, and that these neglected properties are transformed back into the housing units which our communities so sorely need. This bill is a step in the wrong direction, and would make an already cumbersome process more daunting and time-consuming.

We urge that you not pass this bill – and that if the Legislature has an interest in the foreclosure process, a study commission is most appropriate to explore the foreclosure challenge in detail and probe for solutions. We look forward to a robust conversation on this issue and thank the Committee for its consideration. I am happy to answer any questions either today or in a work session, however other bankers are also here in the room to testify and they have decades of expertise in this area. I urge you to tap into their wisdom. Thank you for your consideration.

Respectfully Submitted,

Joshua Steirman
Director of Government Relations