

# MAINE BANKERS

Association

April 3, 2023

## Testimony to the 131<sup>st</sup> Maine Legislature Committee on Judiciary

Good afternoon, Senator Carney, Representative Moonen, 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 support of L.D. 1015, *Resolve, Establishing the Commission to Study the Foreclosure Process*.

We should make clear from the outset 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.

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 as stakeholders proceed through many mandatory waiting periods, multiple rounds of mediation, and several steps through our already backlogged court system, properties are typically abandoned and deteriorating: unmaintained, pipes freezing, lawns overgrown, sitting vacant at a time when our state is in dire need of housing units.

Reforming the foreclosure process could bring those residential units back into circulation and address the housing need, and can be done without disturbing consumer rights. After it becomes clear that a foreclosure is imminent, there is no need for the process to be prolonged and expensive. Following my testimony you will hear from several bankers with decades of experience handling troubled properties and foreclosures. Their understanding of these realities will help illustrate the impact of this challenge and highlight the true need for foreclosure reform. These bankers also have many ideas for potential improvements to existing laws and are true experts in their field, and I urge you to listen closely to their perspectives and their firsthand knowledge.

In conclusion, a study commission is most appropriate to explore the foreclosure challenge in detail and probe 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.

Respectfully Submitted,

Joshua Steirman  
Director of Government Relations