



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL &
FINANCIAL REGULATION BUREAU OF CONSUMER
CREDIT PROTECTION



Janet T. Mills
Governor

Linda Conti
Superintendent

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Commissioner

**Testimony of Linda Conti
Superintendent
Bureau of Consumer Credit Protection
Department of Professional and Financial Regulations
Against LD 1444**

**“An Act to Prevent Foreclosures Without Strict Compliance with Notice
Requirements”**

Before the Committee on Judiciary

~~Tuesday, April 1, 2025; 1:00 P.M.~~

Senator Carney, Representative Kuhn and Members of the Judiciary Committee, My name is Linda Conti, and I serve the administration as the Superintendent of the Bureau of Consumer Credit Protection (BCCP), which is a bureau within the Department of Professional and Financial Regulation. BCCP licenses and examines non-bank mortgage lenders for compliance with state and federal lending and servicing requirements. I am writing to express opposition to L.D.1444 “An Act to Prevent Foreclosures without Strict Compliance with Notice Requirements.”

Enactment of L.D. 1444 would overturn the Law Court’s recent decision in *Finch v. U.S. Bank N.A.*, 2024. To understand how the Court arrived at the Finch decision, I recap some salient events. It is rooted in the financial crisis of 2008 and its aftermath. Due to excesses and abuses in mortgage lending, many home loans failed and the courts were flooded with foreclosure actions. The number of loans in default overwhelmed the mortgage servicers and the courts. Often foreclosure filings were characterized by robo-signing and other deficiencies. As you are aware, In response state and federal laws regarding mortgage servicing and loan modifications were improved. Maine amended its foreclosure statutes and specific cases interpreting the foreclosure statutes moved through the courts.

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In *Pushard v. Bank of America N.A.* 2017 ME 230, the law court held that the lender had accelerated the maturity of the loan by filing a foreclosure action that asserted that the entire balance was then due. A foreclosure judgment for a borrower based on a mistake in the lender's notice of default rendered the note and mortgage unenforceable and required transfer of title to the borrower free and clear of the mortgage. In *Finch v. U.S. Bank N.A.*, 2024 ME 2, the law court revisited and reversed the *Pushard* holding.

Finch holds that if there is a mistake in the foreclosure notice, there can be no acceleration of the total amount due. Therefore, the total amount could not be litigated in that case and a subsequent foreclosure action is not barred. The statutory foreclosure requirements in Maine law afford consumers significant protection from improper foreclosures. The *Finch* ruling prevents a possible windfall to a consumer and restores balance and predictability to the process. We want lenders to have confidence in the foreclosure process and to continue to lend to Mainers seeking home ownership.

For these reasons, BCCP asks this committee to vote ought not to pass on L.D. 1444.

Thank you for your time and I would be happy to answer any questions now or at the work session.