



Testimony Presented to the Joint Standing Committee on Judiciary

In Support of LD 1389

An Act To Expedite the Foreclosure Process

March 5, 2014

Senator Valentino, Representative Priest, and Committee Members, my name is Barbara Berry. I am a resident of North Yarmouth and I am before you today on behalf of the Maine Association of REALTORS® to speak in support of LD 1389. MAR is a professional trade association with approximately 4100 members, including real estate practitioners involved in listing, selling, leasing, management and development of residential and commercial property, and affiliate members who provide a wide array of services necessary in the conveyance of real estate, including lenders, appraisers, title attorneys, building inspectors, insurers, surveyors and others.

MAR applauds the hard work, dedication, and diligence of the Attorney General and her staff in tackling the complex issues that arose as a result of all the foreclosure related bills that were presented in the last legislative session. We appreciate their efforts to bring together a working group to review the issues and aid the Attorney General in identifying ways to improve the foreclosure process in Maine. MAR was pleased to be included in the working group. We support the amended version of LD 1389, but have a couple of comments to share with you regarding the bill, and how we believe it can be improved.

One of the areas of greatest interest and importance to MAR in the original version of this bill concerned ways of expediting the foreclosure process in the case of abandoned property. Maine continues to have one of the longest foreclosure processes in the country, and it seemed reasonable to the entire working group that the process could and should be shortened when property has been abandoned. We have all seen the negative effect that property which has been left to deteriorate has on neighborhood values, on municipal tax revenue, and on the mortgagee which is left with an asset of greatly diminished value.

LD 1389 does make progress in addressing the issue of abandoned property foreclosures, but we don't think it goes far enough. It calls for an expedited process in the case of abandoned **and** uncontested foreclosures, but we believe that if a homeowner has abandoned their property, made no attempt to secure it, maintain it, or keep it safe from vandalism, the foreclosure process should be expedited, whether or not the owner has responded to the notice of foreclosure and is contesting the foreclosure. If owners relocate and leave the home there must be some attempt to protect and secure it, perhaps best achieved by renting the house, or allowing someone to stay there in return for maintenance of the property. The negative effect of decaying property on neighbors and communities is too great for an inevitable process to be unnecessarily drawn out. If mortgagors want to contest the foreclosure of a



property they have abandoned, they should be required to take responsibility for maintaining that property.

The other comment we wish to make concerns process. The new CFPB rule that a lender may not file a complaint of foreclosure until 120 days after the mortgagor is delinquent in their payments, creates a pre-foreclosure period in which an agreement may be made between the parties, and the foreclosure avoided. We believe that if a mortgagor files a loss mitigation application during that 120 day period, engages in the loss mitigation process with the mortgagee, and either rejects an offer by the mortgagee, or is found to be ineligible for loss mitigation, that the loss mitigation process they have engaged in should fulfill the mediation process required to be offered to the mortgagor under Maine law. Allowing a second mediation after the foreclosure has been filed is duplicative and costly in time and money.

MAR appreciates the opportunity to share our comments on LD 1389, and we thank you for your consideration of our position on this important bill.