



FOR IMMEDIATE RELEASE  
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## **Bureau of Financial Institutions' Survey Shows Home Foreclosures at Maine Banks and Credit Unions Continue to Increase at Modest Rate**

*Foreclosures and Loan Delinquencies Continue to Trend Upward but the Number of Completed Foreclosures Declines for Second Consecutive Quarter*

AUGUSTA, MAINE – Superintendent Lloyd P. LaFountain, III announced this week that recently completed analysis by the Bureau of Financial Institutions of first quarter 2009 data submitted by Maine-chartered banks and credit unions shows a continuing modest increase in home foreclosures in Maine.

The number of foreclosure proceedings on first mortgages being initiated jumped during the first quarter, but completed foreclosures declined for the second consecutive quarter. In general, foreclosure activity at Maine banks and credit unions appears to be lower than in many other states and it does not pose a threat to the stability of those financial institutions.

“Foreclosure activity at state-chartered financial institutions continues to increase, but we’ve seen a decline in the number of completed foreclosures. Several factors may account for this positive development, including loan modification efforts and the use of programs to assist struggling homeowners,” Superintendent LaFountain commented. “Overall, the level of foreclosures—while tragic for impacted homeowners—does not currently threaten the strength and solvency of Maine-chartered banks and credit unions.”

This most recent data covers January through March 2009. It pertains to residential real estate lending and was obtained from the 32 financial institutions (banks and credit unions) that have been state-chartered in Maine from the end of 2006 through March 2009. The Bureau has been surveying state-chartered banks and credit unions regarding foreclosure activity since October 2006.

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According to first quarter survey results, the 32 state-chartered financial institutions held 86,279 mortgage loans at the end of March, consisting of nearly 50,000 first mortgage loans and more than 37,000 junior lien mortgage loans (including home equity lines of credit). Of the 86,279 loans, 240 (177 first mortgages and 63 junior lien mortgages) were *in process of foreclosure (IPF)*, or one loan for every 359 mortgages (one for every 278 first mortgages). This continues the ongoing upward trend since 2006. During the fourth quarter of 2008, 213 loans were in IPF status. As a percentage of total mortgages, though, IPF loans remain relatively low, 0.28% during the first quarter (up from 0.24% during the fourth quarter of 2008).

IPF	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	# Loans
<b>1<sup>st</sup> REM</b>	62	68	72	90	120	126	128	132	148	177	49,172
<b>Jr REM</b>	20	17	22	23	35	59	58	63	65	63	37,107
<b>All REM</b>	82	85	94	113	155	185	186	195	213	240	86,279
<b>1<sup>st</sup> REM</b>	0.15%	0.16%	0.17%	0.21%	0.26%	0.26%	0.27%	0.27%	0.30%	0.36%	
<b>Jr REM</b>	0.08%	0.06%	0.08%	0.08%	0.12%	0.16%	0.15%	0.17%	0.17%	0.17%	
<b>All REM</b>	0.12%	0.12%	0.13%	0.16%	0.20%	0.22%	0.22%	0.22%	0.24%	0.28%	

Beginning with the 2008 first quarter survey (January-March, 2008), data on the number of foreclosures initiated in the current quarter was requested. During the first quarter of 2009, foreclosure proceedings began on 65 first mortgages, 0.13% of all outstanding first mortgages, or one for every 756 first mortgages. This is up from 59 initiated foreclosures during the fourth quarter (one for every 839 first mortgages).

Foreclosures Initiated	3/08	6/08	9/08	12/08	3/09
<b># 1<sup>st</sup> REM</b>	45	35	62	59	65
<b>% 1<sup>st</sup> REM</b>	0.09%	0.07%	0.13%	0.12%	0.13%
<b>FC Start/1<sup>st</sup> REM</b>	1,060	1,362	794	839	756
<b># Jr. REM</b>	26	14	26	20	16
<b>% Jr. REM</b>	0.07%	0.04%	0.07%	0.05%	0.04%
<b>FC Start/Jr. REM</b>	1,424	2,709	1,449	1,877	2,319

The Bureau also requests data on *completed foreclosures (FC)*. The table below shows numbers increasing from 52 in 2006 to 67 in 2007. In 2008, that number jumped to 159. Completed foreclosures, however, declined from 51 in the third quarter to 37 during the fourth quarter of 2008 and 38 in the first quarter of 2009. The number of FC remains low, especially in relation to the total number of outstanding mortgages – one for every 2,290 mortgages and one for every 2,357 first mortgages.

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<b>FC</b>	<b>2006</b> *	<b>2007</b> **	<b>3/08</b>	<b>6/08</b>	<b>9/08</b>	<b>12/08</b>	<b>2008</b> **	<b>3/09</b>
<b>1<sup>st</sup> REM</b>	<b>50</b>	<b>52</b>	23	32	38	26	<b>119</b>	21
<b>Jr REM</b>	<b>2</b>	<b>15</b>	5	11	13	11	<b>40</b>	17
<b>All REM</b>	<b>52</b>	<b>67</b>	28	43	51	37	<b>159</b>	38
<b>% of Prior Quarter-end Loans</b>								
<b>1<sup>st</sup> REM</b>	<b>0.12%</b>	<b>0.12%</b>	0.050%	0.067%	0.080%	0.053%	<b>0.24%</b>	0.042%
<b>Jr REM</b>	<b>0.01%</b>	<b>0.05%</b>	0.017%	0.030%	0.034%	0.029%	<b>0.11%</b>	0.045%
<b>All REM</b>	<b>0.07%</b>	<b>0.09%</b>	0.037%	0.051%	0.060%	0.043%	<b>0.19%</b>	0.044%

\* Annual percentage is based on number of loans outstanding at 12/31/06;

\*\* Annual percentage is based on average number of loans outstanding in the year.

The survey does not include data from entities not regulated by the Bureau which include federally-chartered banks, federally-chartered credit unions and mortgage companies licensed to do business in Maine.

More information on the status of residential real estate lending by Maine's financial institutions is available in the Bureau's 2009 Annual Report to the Legislature, which can be found at [www.maine.gov/pfr/financialinstitutions](http://www.maine.gov/pfr/financialinstitutions).

*The Bureau of Financial Institutions is part of the Department of Professional and Financial Regulation, which encourages sound ethical business practices through impartial and efficient regulation of insurers, financial institutions, creditors, investment providers, and numerous professions and occupations for the purpose of protecting the citizens of Maine. Consumers can reach the Bureau through the Department's website ([www.maine.gov/pfr](http://www.maine.gov/pfr)); by calling 1-800-965-5235 or by writing to Bureau of Financial Institutions, 36 State House Station, Augusta, Maine 04333.*

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