



## ***Bureau of Financial Institutions***

July 12, 2012

### **1st Quarter Survey of Maine Banks and Credit Unions Shows Few Changes From Fourth Quarter 2011.**

#### ***New foreclosures and Completed Foreclosures Decrease, but Loans In The Process of Foreclosure Increase.***

Bureau of Financial Institutions' Superintendent Lloyd P. LaFountain III announced today that the first quarter 2012 survey covering first residential mortgage loans held by Maine's 32 state-chartered banks and credit unions continued to show mixed performance.

Positive indicators included a decrease in the number of foreclosures started and foreclosures completed in the first quarter. Further, the number of 1<sup>st</sup> lien residential mortgage loans that were less than 90 days past due decreased significantly from 912 on December 31, 2011 to 725 on March 31, 2012. This decrease is consistent with national trends and likely results from improving economic conditions and employment. Those loans that are more seriously delinquent, 90 days or more past due, decreased by only one loan to 577.

The Bureau has been surveying the 32 state-chartered banks and credit unions regarding foreclosure activity on a quarterly basis since October 2006. The data is limited to the 32 financial institutions that have been state-chartered from the end of 2006 through March 2012. It does not include data from entities not regulated by the Bureau, such as federally-chartered banks, federally-chartered credit unions and mortgage companies licensed to do business in Maine. The most recent data covers January through March 2012.

At the close of the first quarter, of the over 56,000 1<sup>st</sup> mortgages held by Maine state-chartered banks and credit unions, there were 311 in process of foreclosure, or one loan for every 181 first mortgages. This is up from 306 at the end of the fourth quarter of 2011. As a percentage of first mortgages, loans in the process of foreclosure remain relatively low at 0.55%. Foreclosure starts decreased by four loans to a total of 86. Foreclosures completed last quarter decreased by seven loans from the fourth quarter of 2011 total of 54, to a total of 47. Overall, foreclosures completed remain historically high, but the overall number is low in relation to the total number of 1<sup>st</sup> mortgages outstanding.

“Foreclosure activity at Maine’s 32 state-chartered financial institutions, while above historical levels, does not pose a threat to the financial stability of these institutions and continues to compare favorably to foreclosure statistics reported by other mortgage lenders in many states.” Superintendent LaFountain commented.

| <b>In Process of Foreclosure</b>            | <b>12/06</b> | <b>12/07</b> | <b>12/08</b> | <b>12/09</b> | <b>12/10</b> | <b>12/11</b> | <b>03/12</b> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of 1 <sup>st</sup> Lien RE Mortgages | 62           | 120          | 148          | 226          | 250          | 306          | 311          |
| % IPOF                                      | .15%         | .26%         | .31%         | .48%         | .52%         | .55%         | .55%         |
| Net Increase                                | N/A          | 52.2%        | 31.8%        | 31.5%        | 36.1%        | 11.5%        | 17.0%        |
| % IPOF / Past Due Over 90Days               | N/A          | N/A          | N/A          | 45.2%        | 42.2%        | 52.9%        | 53.9%        |
|   |              |              |              |              |              |              |              |

| <b>Foreclosures Initiated</b>                    | 03/08 | <b>12/08</b> | <b>12/09</b> | <b>12/10</b> | <b>12/11</b> | <b>03/12</b> |
|--|-------|--------------|--------------|--------------|--------------|--------------|
| Number of 1 <sup>st</sup> Lien RE Mortgages      | 45    | 59           | 103          | 99           | 90           | 86           |
| % of 1 <sup>st</sup> Lien RE Mortgages           | .09%  | .12%         | .22%         | .21%         | .16%         | .15%         |
| % FC Starts to 1 <sup>st</sup> Lien RE Mortgages | 1,060 | 813          | 455          | 481          | 617          | 656          |
| % FC Starts to Past Due Over 90 Days             | N/A   | N/A          | 21.5%        | 17.6%        | 15.3%        | 11.8%        |

| <b>Foreclosures Completed</b>                          | <b>2006</b> | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>03/12</b>   |
|--|-------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Number of 1 <sup>st</sup> Lien RE Mortgages Foreclosed | 50          | 52             | 119            | 126            | 176            | 172            | 47             |
| % of 1 <sup>st</sup> Lien RE Mortgages                 | .12%        | .12%           | .24%           | .27%           | .37%           | .35%           | .35%           |
| % Foreclosed to IPOF at Quarter End                    |             | 12/07<br>18.9% | 12/08<br>19.7% | 12/09<br>18.5% | 12/10<br>20.4% | 12/11<br>16.7% | 03/12<br>15.4% |

*The Bureau of Financial Institutions is part of the Department of Professional and Financial Regulation, which encourages sound ethical business practices through impartial 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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