



FOR IMMEDIATE RELEASE
December 7, 2009

Contact: Lloyd P. LaFountain III, Superintendent
Maine Bureau of Financial Institutions
207-624-8570

Home Foreclosures and Delinquent Mortgage Loans Continue to Increase Modestly at Maine Banks and Credit Unions

Mortgage Loan Originations, However, Also Increase This Year and Outpace 2008

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

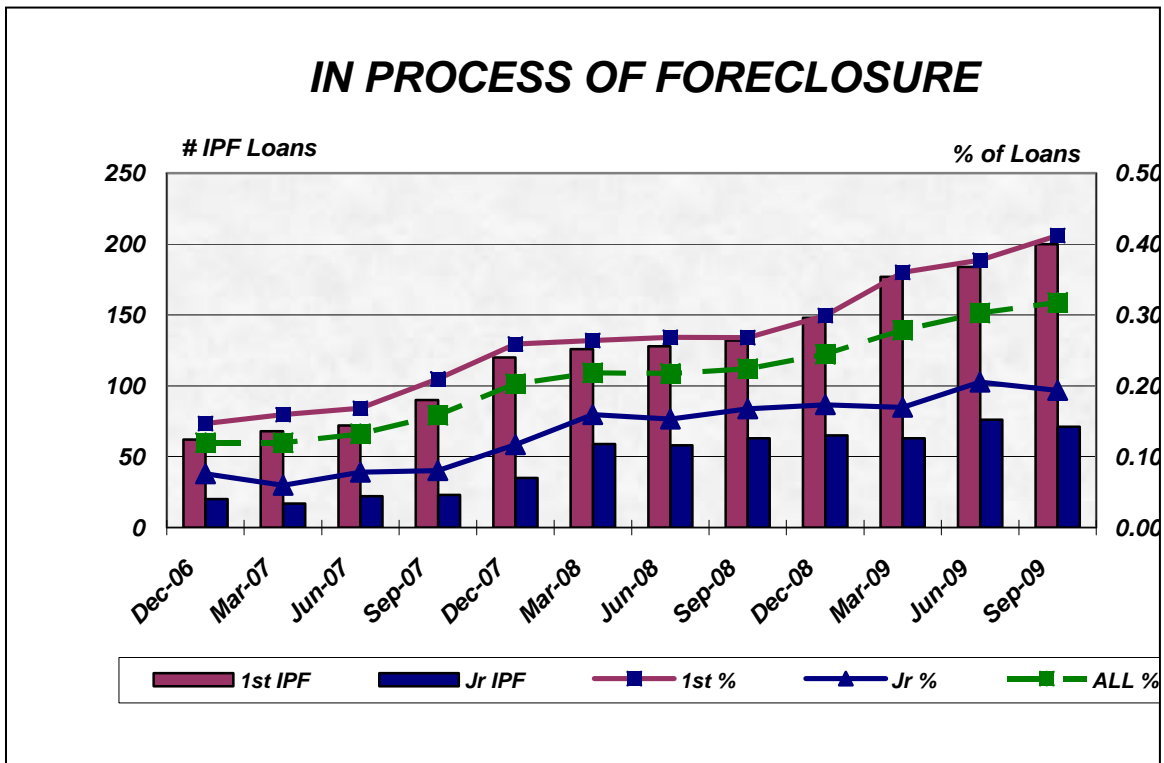
At the same time, the number of new first mortgage loans being initiated has increased substantially over last year---up 60% compared with the first three quarters of 2008. The number of first mortgage loan originations during the first nine months of 2009 surpassed last year's 12-month total.

“Although the upward trend in home foreclosures is modest and does not threaten the solvency of Maine-chartered banks and credit unions, we recognize that too many individuals and families find themselves in very difficult situations” Superintendent LaFountain commented. “We are encouraged, however, that new mortgage activity has remained relatively strong through three quarters this year.”

This most recent data covers July through September 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 September 2009. The Bureau has been surveying state-chartered banks and credit unions regarding foreclosure activity since October 2006.

According to third quarter survey results, the 32 state-chartered financial institutions held 85,248 mortgage loans at the end of September, consisting of 48,538 first mortgage loans and 36,710 junior lien mortgage loans (including home equity lines of credit). Of the 85,248 loans, 271 (200 first mortgages and 71 junior lien mortgages) were *in process of foreclosure (IPF)*, or one loan for every 315 mortgages (one for every 243 first mortgages). This continues the ongoing upward trend since 2006. During the second quarter of this year, 260 loans were in IPF status. As a percentage of total mortgages, though, IPF loans remain relatively low, 0.32% during the third quarter (up from 0.30% during the second quarter of 2009).

IPF	12/06	12/07	3/08	6/08	9/08	12/08	3/09	6/09	9/09	# Loans
1 st REM	62	120	126	128	132	148	177	185	200	48,538
Jr REM	20	35	59	58	63	65	63	75	71	36,710
All REM	82	155	185	186	195	213	240	260	271	85,248
1 st REM	0.15%	0.26%	0.26%	0.27%	0.27%	0.30%	0.36%	0.38%	0.41%	
Jr REM	0.08%	0.12%	0.16%	0.15%	0.17%	0.17%	0.17%	0.20%	0.19%	
All REM	0.12%	0.20%	0.22%	0.22%	0.22%	0.24%	0.28%	0.30%	0.32%	



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 third quarter of 2009, foreclosure proceedings were started on 76 first mortgages, 0.16% of all outstanding first mortgages, or one for every 639 first mortgages. This represents a noticeable increase from the prior quarter. However, foreclosure proceedings initiated on junior mortgages decreased.

Foreclosures Initiated	3/08	6/08	9/08	12/08	3/09	6/09	9/09
# 1 st REM	45	35	62	59	65	61	76
% 1 st REM	0.09%	0.07%	0.13%	0.12%	0.13%	0.13%	0.16%
FC Start/1 st REM	1,060	1,362	794	839	756	800	639

# Jr. REM	26	14	26	20	16	27	22
% Jr. REM	0.07%	0.04%	0.07%	0.05%	0.04%	0.07%	0.06%
FC Start/Jr. REM	1,424	2,709	1,449	1,877	2,319	1,371	1,669

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 in the third quarter of 2009 totaled 55 mortgages, 0.064% of outstanding mortgages. Although this represents a substantial increase from the second quarter, the overall number of FC remains low, especially in relation to the total of outstanding mortgages – only one for every 1,560 mortgages and one for every 1,478 first mortgages.

FC	2006 *	2007 **	3/08	6/08	9/08	12/08	2008 **	3/09	6/09	9/09
1st REM	50	52	23	32	38	26	119	21	35	33
Jr REM	2	15	5	11	13	11	40	17	5	22
All REM	52	67	28	43	51	37	159	38	40	55
% of Prior Quarter-end Loans										
1st REM	0.12%	0.12%	0.050%	0.067%	0.080%	0.053%	0.24%	0.042%	0.071%	0.068%
Jr REM	0.01%	0.05%	0.017%	0.030%	0.034%	0.029%	0.11%	0.045%	0.013%	0.059%
All REM	0.07%	0.09%	0.037%	0.051%	0.060%	0.043%	0.19%	0.044%	0.046%	0.064%

* 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.

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); by calling 1-800-965-5235 or by writing to Bureau of Financial Institutions, 36 State House Station, Augusta, Maine 04333.

###