

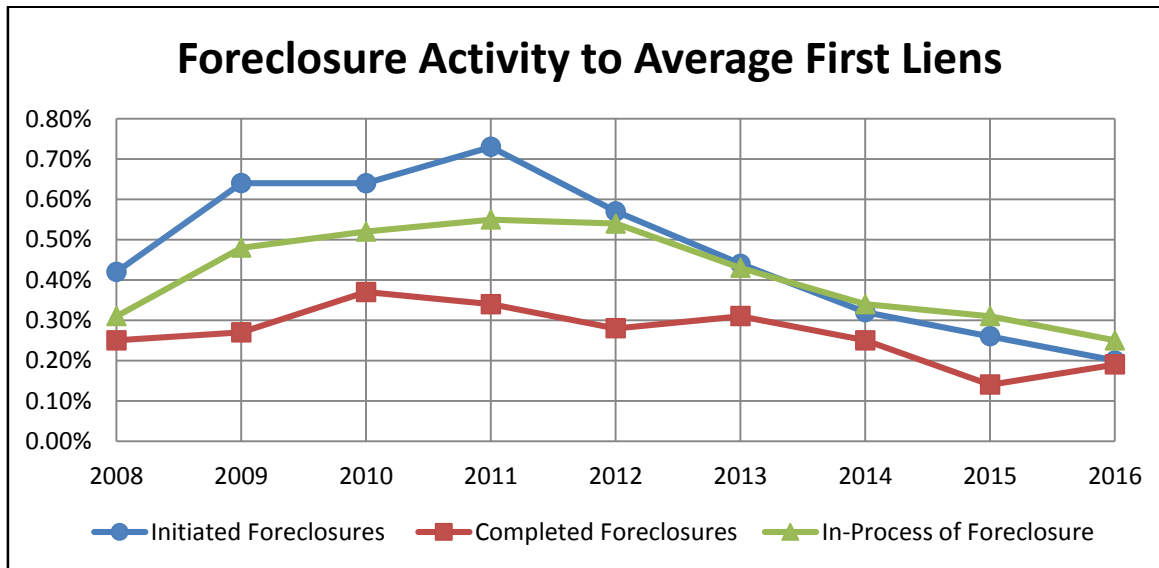


February 17, 2017

Foreclosures Initiated By State-Chartered Banks Decline for the Fifth Consecutive Year

Gardiner – Bureau of Financial Institutions’ Superintendent Lloyd P. LaFountain III announced today that initiated foreclosure filings at state-chartered financial institutions continue to drop and have held below the 2008 level for the third consecutive year. Maine’s financial institutions began reporting a noticeable increase in foreclosure filings in 2008, which marked the beginning of a recessionary period in Maine. Initiated foreclosures increased over the next three years, peaking at 0.73% of first-lien mortgages in 2011, before subsequently declining for the next five years.

The Bureau has been surveying the 31 state-chartered banks and credit unions regarding foreclosure activity since 2006. The data is limited to the 31 financial institutions that have been state-chartered from year-end 2006 through year-end 2016. 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.



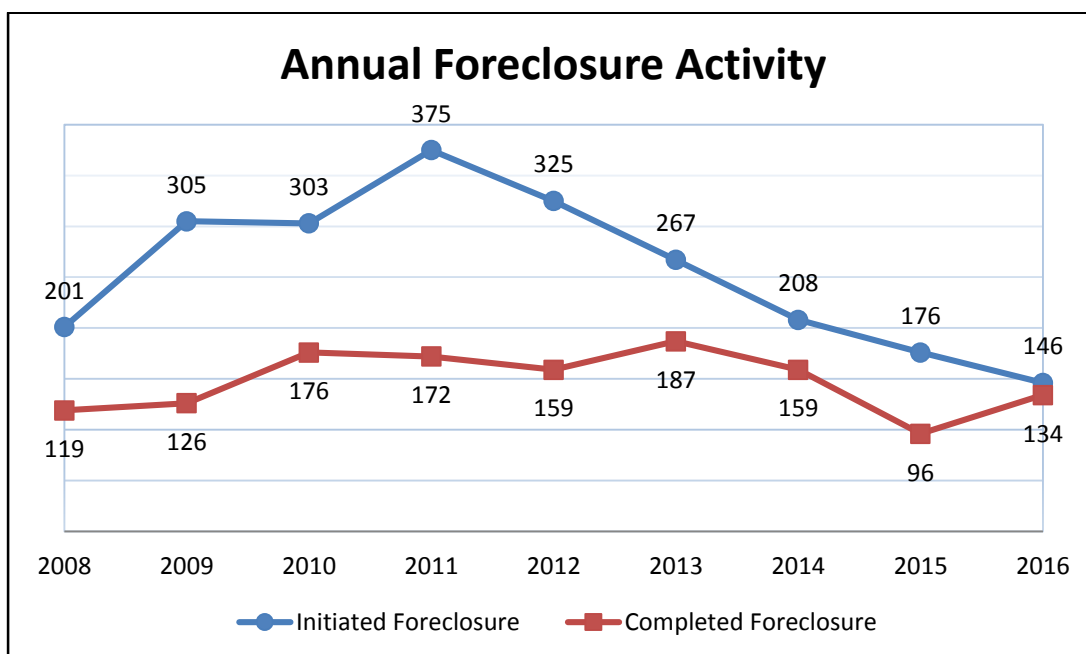
At the close of 2016, Maine’s 31 state-chartered banks and credit unions held 74,000 first-lien mortgages. Of those 74,000 mortgages, 183 were in-process of foreclosure. This level, representing 0.25% of first-lien mortgages, declined for the fifth consecutive year from the peak level of 0.55% reported at year-end 2011 and currently represents the lowest level of loans in-process of foreclosure in the past eight years when 0.31% was reported at year-end 2008.

The Foreclosure Activity to Average First Liens chart (above) depicts the decline of both mortgages in-process of foreclosure (green line with triangles) and initiated foreclosures (blue line

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with circles) from 20011 through 2016. Additionally, the level of initiated foreclosures dropped below the level of loans in-process of foreclosure in 2014, and continued to drop further in 2015 and 2016. As initiated foreclosure filings decline, the level of loans in-process of foreclosure, although lagging behind the initiated foreclosure filing rates, also declines.

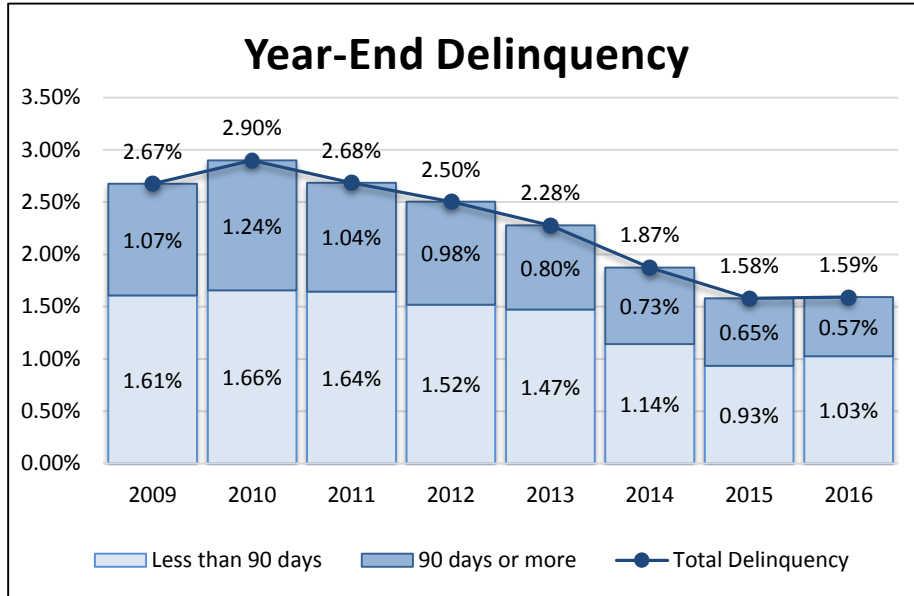
The same chart also depicts the level of completed foreclosures (red line with squares), which was 0.19% of first-lien mortgages at year-end 2016, representing a slight increase from 0.14% at year-end 2015. The 2016 increase in completed foreclosures is not concerning since the net downward trend continues. The increase could be a result of uncertainties with the foreclosure process that arose in 2014 that may have delayed some foreclosure activity until addressed by the Legislature in 2015. The continued decline in initiated foreclosures (beginning in 2012) is expected to result in fewer completed foreclosures in 2017.



The Annual Foreclosure Activity chart reports the number of initiated foreclosures and completed foreclosures for each of the last nine calendar years. Initiated foreclosures totaled 146 in 2016, representing a continued decline from the peak of 375 reported in 2011. Two years later the number of completed foreclosures peaked at 187. Completed foreclosures increased from 96 at in 2015 to 134 in 2016.

The year-end early delinquency ratio (Less than 90 days past due) was approximately 1.50% of first-lien mortgages for year-ends 2010 through 2013, which then declined to 1.14% at year-end 2014, before subsequently falling under 1% at year-end 2015. The early delinquency ratio increased slightly to 1.03% at year-end 2016. The more serious delinquency ratio (90 days or more past due), representing 0.57% of first-lien mortgages at year-end 2016, continues to improve from a high of 1.24% at year-end 2010. Despite shifts in early and serious delinquency rates from year-end 2015 to year-end 2016, the total delinquency ratio remained stable at year-end 2016.

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Superintendent LaFountain indicated that “foreclosure activity at Maine’s state-chartered institutions has steadily declined over the past five years and has reached pre-recessionary levels for Maine’s state-chartered financial institutions.”

Historical Foreclosure Data

1 ST REM	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16
Number in Process of Foreclosure at Year-End	148	226	250	306	317	271	223	217	183
Foreclosures Completed YTD	119	126	176	172	159	187	159	96	134
Foreclosures Initiated YTD	201	305	303	375	325	267	208	176	146
Percent of 1 st Lien REM In Process of Foreclosure at Year-End	0.31%	0.48%	0.52%	0.55%	0.54%	0.43%	0.34%	0.31%	0.25%
Percent of Foreclosures Completed YTD to Average 1 st Lien REM	0.25%	0.27%	0.37%	0.34%	0.28%	0.31%	0.25%	0.14%	0.19%
Percent of Foreclosures Initiated YTD to Average 1 st Lien REM	0.42%	0.64%	0.64%	0.73%	0.57%	0.44%	0.32%	0.26%	0.20%