



Maine

MAINE IS IN BETTER SHAPE THAN MOST STATES.

Although the state is not facing a full-blown foreclosure crisis, Maine, like all states, has witnessed an increase in the number of foreclosures from subprime loans and most likely will experience a further increase, primarily in the next two years. In fact, one in 60 Maine homeowners is projected to face foreclosure because of a high-cost loan (compared to the U.S. average of one in 33 homeowners). More than 10 percent of the state's homeowners will likely experience the ripple effects of subprime-related foreclosures on their property values.



ASSESSMENT: The high-cost lending laws and regulations that Maine has implemented are positive actions. The state, however, could do more to assist citizens who are already in homes facing foreclosure. This would help mitigate damage from foreclosures and prevent further reductions in the state and local tax base, which is predicted to drop by \$134 million in the next two years.

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 60** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **22 percent** of all loans made in 2005-2006 were subprime
- **12 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$3,189** on average in property value
- **\$134 million** is projected to be lost from the combined state and local tax base

How severe is the state's challenge?

Four filled houses represent the most severe challenge.



THE RESPONSE: Preserving a piece of the dream

GOALS	ACTIONS	STATUS*
Avoiding foreclosure	State-funded refinance program	<input type="checkbox"/>
	Loan modification	<input type="checkbox"/>
	Preventing rescue scams	<input type="checkbox"/>
	Counseling available	<input type="checkbox"/>
Using all your tools	Task force	<input type="checkbox"/>
Pre-empting high-cost lending	High-cost lending laws	<input checked="" type="checkbox"/>
	Aligns mortgage broker to consumer interests	<input checked="" type="checkbox"/>

■ = action taken □ = no action taken

How responsive has the state been?

Four filled houses represent the most responsive.



*As of January 31, 2008

THE FORECLOSURE NUMBERS:

The projections above are from the Center for Responsible Lending's subprime spillover research. These estimates focus on foreclosures resulting from subprime loans made to owner-occupants in 2005 and 2006. For a full description of the methodology, please see *Defaulting on the Dream: States Respond to America's Foreclosure Crisis*.