



Defaulting on the Dream: States Respond to America's Foreclosure Crisis

Maine

MAINE, LIKE ALL STATES, HAS WITNESSED A RISE in the number of foreclosures from subprime loans and most likely will experience a further increase. 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: Maine has augmented its strong high-cost lending laws and regulations with efforts to assist citizens who are already in homes facing foreclosure. An April 2008 law shields homeowners from rescue scams, while a counseling program keeps them apprised of their options. This may help mitigate damage from foreclosures and prevent further reductions in the state and local tax base, which is predicted to drop by \$134 million by the end of 2010.

**As of December 2008*

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

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/ Mortgage fraud	<input checked="" type="checkbox"/>
	Counseling available	<input checked="" 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

**As of October 1, 2008*

THE FORECLOSURE NUMBERS:

The projections above are from the Center for Responsible Lending's subprime spillover research, updated in February 2008. 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*, released in April 2008 and available at www.pewcenteronthestates.org.



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