



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION
35 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0035

Janet T. Mills
GOVERNOR

William N. Lund
SUPERINTENDENT

To: Servicers of mortgages secured by Maine residences
From: Will Lund, Superintendent
Maine Bureau of Consumer Credit Protection
Re: Foreclosure moratorium, and "notices of right to cure default"
Date: April 16, 2020

On March 27, 2020, the President signed into federal law the CARES Act, which, *inter alia*, imposed a foreclosure moratorium. The moratorium applies to "federally-backed mortgage loans," such as single-family FHA-insured loans, including home equity conversion ("reverse") mortgages, as well as those guaranteed, insured, made, purchased or securitized by USDA, VA, Fannie Mae or Freddie Mac.

On April 16, 2020, Maine Governor Janet Mills wrote to Maine banks and credit unions urging them "in the strongest possible terms to avoid initiating foreclosures and to pause any foreclosures in progress." Further, she urged Maine's financial institutions "to refrain from mailing notices to cure" to Maine residents as long as the current or subsequent federal foreclosure moratoria remain in effect.

The Governor then directed this office, the Maine Bureau of Consumer Credit Protection, to provide the same guidance to mortgage lenders or servicers that hold or service mortgages secured by Maine homes.

The Governor, and regulators in this office, believe that homeowners who are in the midst of a national health crisis and government "stay at home" orders should not be at risk for losing their homes – whether or not those loans are "federally-backed."

Because the mailing of a Notice of Right to Cure Default is a statutory precondition to the filing of a civil foreclosure action in court, consumers correctly perceive such notices as a part of the substantive and procedural process of foreclosure.

For the above reasons, the bureau strongly urges that servicers of non-federally-backed mortgages adhere to a foreclosure moratorium, and refrain from mailing "right to cure" notices to Maine residents, so long as the current federal moratorium or successive moratoria remain in effect.