



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

December 13, 2021

Ana Esparza
William Corbett
Office of Community Economic Development
U.S. Department of the Treasury

Re: Maine's responses to questions from Treasury

Dear Ms. Esparza and Mr. Corbett:

Thank you for your most recent communication requesting clarification of a few issues regarding Maine's HAF Plan. Below please find the questions posed, and our responses:

Question 1(a)

Clarify how you will calculate the homeowner's payment to income ratio and what effect will other monthly payment obligations have on this calculation?

Response 1(a)

We have modified Maine's HAF Plan to define a sustainable monthly mortgage payment (principal, interest, taxes, insurance and condo/HOA dues if applicable) as a PITIA payment that is not greater than 31% of the borrower's GMI.

We have also modified the Plan by removing the phrase "taking into consideration other monthly payment obligations," in order to establish bright line criteria, ensuring equal treatment of all applicants.

Question 1(b)

Under what circumstances will housing counselors make this determination, and how will their determination vary from the normal procedure?

Response 1(b)

We have removed the statement that housing counselors will help determine affordability. Counselors will assist in calculating eligibility, but to ensure equal treatment for all homeowners, counselors will not exercise discretion to make a determination about affordability beyond an applicant's bright line eligibility criteria.

Question 1(c)

If you determine that the borrower's payment exceeds 31% of gross income, what steps will you take?

Response 1(c)

Homeowners who wish to accept a loss mitigation offer facilitated by a maximum HAF contribution whose modified monthly PITIA payment exceeds 31% of the borrower's GMI, but does not exceed 50% GMI, may be permitted to do so provided that the homeowner attests to Maine's HAF Program an ongoing ability to pay the modified PITIA and willingness to work with a Maine housing counselor if not already doing so. The counselor will work with the homeowner to recommend household budget adjustments as well as explain non-home retention options in lieu of accepting HAF funds.

Maine's counselors are already trained under our Bureau's existing foreclosure assistance program to explore all other options, including a short sale or other procedures that will allow the consumer to stay in the home as long as possible in order to make alternate arrangements. Because Maine is a judicial foreclosure state, the civil process takes a year or more, if the homeowner takes basic procedural steps, including requesting court-sponsored mediation.

Question 2(a)

In what languages will the state provide program informational material?

Response 2(a)

We will provide program informational materials in English, Spanish, French and Somali.

Question 2(b)

Please expand upon the nature of the educational element to be incorporated into the existing foreclosure prevention hotline.

Response 2(b)

Under Maine law, all servicers are required to notify the Bureau of the name and address every Maine homeowner to whom it has sent a "Notice of Right to Cure Default." The Bureau then mails an informational letter to each such homeowner informing the homeowner about Maine's foreclosure prevention program, including the telephone number of the Bureau's hotline. The Bureau will also include information about Maine's HAF program in this mailing to homeowners.

The informational letter encourages homeowners to call the hotline. Bureau staff members conduct an extensive intake with the homeowner and then make a referral to a housing counselor, or to legal services in situations requiring legal advice or representation. Hotline staff members explain the foreclosure process, and various loss mitigation options and other alternatives to foreclosure.

Spanish is the predominant language in Maine for Limited English Proficiency (LEP) homeowners and the Bureau will print the informational letter and information about HAF in

Spanish on the reverse side of the current letter. A one-page insert will be added to the mailing to encourage all LEP homeowners to call the Bureau's hotline so that we can conduct the intake with the assistance of a translation service. The Bureau will also make this state-approved telephone translation service available at no cost to Maine housing counselors and legal service providers.

Thank you for this opportunity to provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Will Lund', written in a cursive style.

Will Lund, Superintendent

A handwritten signature in black ink, appearing to read 'Mark Susi', written in a cursive style.

Mark Susi, Staff Attorney