

**US VIRGIN ISLANDS**  
**HOMEOWNER ASSISTANCE FUND**  
**COVID-19 RELIEF PROGRAM**  
**DRAFT PLAN**



## **Introduction**

The Homeowner Assistance Fund (HAF) was established under Section 3206 of the American Rescue Plan Act of 2021 and provides up to \$8,521,959.00 in funding to the United States Virgin Islands to provide a wide range of relief to vulnerable homeowners during and in the recovery from the COVID-19 public health emergency. The HAF targets households at or below median income and socially-disadvantaged homeowners who meet additional criteria of need. The Virgin Islands Housing Finance Authority (VIHFA) is tasked with administering this program on behalf of the Territory.

In accordance with Treasury’s Homeowner Assistance Fund, issued on April 14, 2021, and revised on August 2, 2021, the VIHFA has developed this Action Plan to establish eligibility criteria for this program. Under Treasury Guidance, eligible HAF participants must 1) own a one to four-unit residence that is their primary residence, 2) have experienced a financial hardship after January 21, 2020, and 3) have incomes that are less than or equal to 150 percent of the area median income (AMI) for the Territory or 100 percent of the median income in the United States, whichever is greater. Further, 60 percent of the HAF funds must assist homeowners with incomes at or below 100 percent of the AMI. The Territory recognizes and appreciates the flexibility built into the Treasury guidance to allow for a wide array of effective program benefits. Providing residents of the Virgin Islands with support to remain in their homes after the resulting negative financial consequences of the COVID-19 pandemic is paramount. As such, the Authority is proposing a priority mortgage assistance program to prevent housing instability in the form of foreclosure, forbearance and delinquency. This program will provide payments to loan servicers to bring mortgage loans current and avoid foreclosures.

There are more than 200 delinquent mortgagors in the Territory. These include homeowners with mortgage loans that are in forbearance or are delinquent and homeowners with or without mortgages who may be delinquent or have difficulty paying their property taxes, hazard and flood insurance, or condominium fees. The HAF plan is intended to provide valuable insight to guide the implementation of the program in order to assist the most vulnerable homeowners. This plan will describe how the Territory will execute the HAF program based on the guidance and examples provided by Treasury.

The Territory’s approach to administering HAF financial assistance will help homeowners become current on their mortgages and remain in their homes by focusing on reducing the burden required to receive assistance and distributing payments in an effective manner. The VIHFA endeavors to use data provided by mortgage lenders to focus on prioritizing resources to homeowners who meet the income limits and socially-disadvantaged individuals. Accordingly, this plan outlines the homeownership conditions, the impact of the coronavirus pandemic on homeowners, and the relief program designed to avoid foreclosures of eligible homeowners.

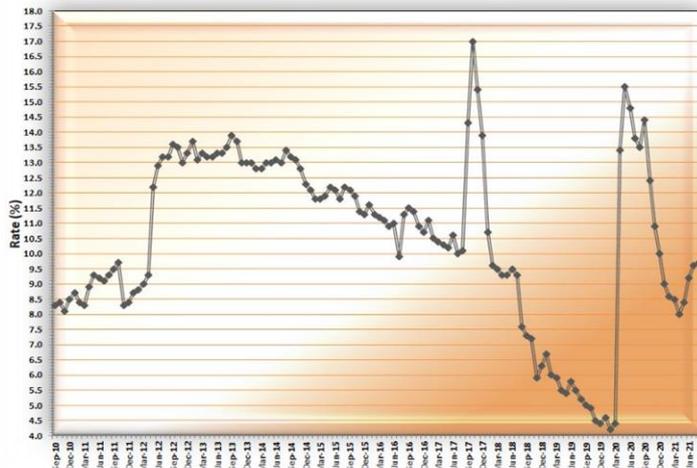
This HAF plan follows the outline of the United States Treasury’s template and makes the Territory’s proposed approach to the program design details and plan implementation available for public review and comment. Residents and stakeholders are strongly encouraged to participate in the public comment period to provide valuable insight into the current need for

homeowner assistance in the Territory and the potential use of these funds. This public comment period for the Plan will be for fourteen days from October 29 to November 11, 2021. Written comments can be submitted to the Authority for the record via email or mail until the close of business on November ---, 2021. Emails can be sent to [www.vihfa.gov](http://www.vihfa.gov) and mailed comments to Janine Hector, Director of Federal Programs, Virgin Islands Housing Finance Authority, 100 Lagoon Complex Suite 4, Frederiksted, VI 00840-3912.

## **HOMEOWNER NEEDS AND COMMUNITY ENGAGEMENT**

### **Coronavirus Pandemic Impact**

Beginning in the Spring of 2020, the local government’s fear was that the health care system in the Territory could become strained by a surge in COVID-19 cases. During the height of the pandemic, thousands of Virgin Islanders followed the stay-at-home mandate to reduce the spread of the virus. For some, that meant working from home, but for many, the closure of nonessential businesses and the stay-at-home order meant temporary reduction or loss of income, and in some cases, long-term unemployment. The impact of the pandemic affected the critical tourist industry where residents employed in hospitality and service-related professions were furloughed or laid off. By April 2020, the economy lost over 2800 jobs. The Territory’s unemployment rate peaked in May 2020 at 13.6% compared to 4.5% in February 2020. The pandemic has had a tremendous impact on job loss as well as the pace of recovery.



VI Unemployment Rate

Source: <https://www.vidolviews.org/>

Due to these job losses, the Territory’s delinquency rate increased significantly. Lenders experienced increased requests for forbearance on mortgage loans and began approving moratoriums.

### **Needs Assessment**

The Mortgage Assistance Program is targeted toward eligible low- and moderate-income residents. Assistance will be prioritized in accordance with the parameters outlined in the HAF Funding Section of this plan. The VIHFA used a variety of data and lender surveys to determine the extent to which homeowners may be at risk of default, foreclosure, or housing instability.

The Authority contacted all the lending institutions in the Territory to obtain this data. Based on the responses received, it is estimated that approximately 210 mortgages are delinquent Territory-wide.

The needs assessment provided in this plan, along with guidance from U.S. Treasury, highlights the needs of the Territory to prioritize mortgage assistance with its HAF allocation. The assessment found increases in forbearance or delinquent loans since the inception of the pandemic. To address the needs of these homeowners, the VIHFA proposes the following Mortgage Assistance Program to be funded with the Territory's HAF allocation.

Assistance provided through the program will be applied in the following order of priority:

- Mortgage loan reinstatement (including escrows)
- Mortgage payment assistance to make loan current
- Mortgage principal reduction to facilitate mortgage refinance/modification
- Prevention of Homeowner Displacement (foreclosure prevention), if attributable to Covid-19
- Delinquent property taxes (low priority)
- Hazard insurance (low priority)
- Other measure to prevent homeowner displacement, e.g., payment of delinquent condominium fees (low priority)

Assisted homeowners will have their unpaid balance and associated fees (if applicable) paid to bring the loan current, with possible advance payments available.

A review of data on the extent and nature of homeowner distress in the Territory indicates that the recent rate of forbearance has increased as the Covid-19 pandemic continues to be widespread throughout the Territory. With a majority of the population identifying as non-White, the homeowner distress is highly concentrated among low income and non-White and Hispanic borrowers/persons that are likely to have immediate need for these resources as requests for moratoriums continue. Through outreach and marketing programs, the VIHFA will target low-income homeowners and socially-disadvantaged individuals first. From a loan prioritization perspective, homeowners with federally funded loans, including, USDA, VA, and FHA, will be prioritized.

Socially-disadvantaged individuals include Black Americans, Hispanic Americans, Asian Americans or Native Americans who are unable to purchase or own a home due to impairments caused by diminished access to credit on reasonable terms as compared to others in comparable economic circumstances. The impairment must stem from circumstances beyond their control. Other indicators of impairment under this definition may include being a (1) resident of a majority-minority Census tract; (2) individual with limited English proficiency; (3) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or (4) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. In addition, an individual may be determined to be a socially-disadvantaged individual in accordance with a process developed by a HAF participant for determining whether a homeowner is a socially-disadvantaged individual in accordance with applicable law, which may reasonably rely on self-attestations.

According to the factors identified, the majority of VI borrowers qualify as socially-disadvantaged individuals.

### **Delinquency and Forbearance**

Data received through lender surveys from lending institutions and mortgage servicers indicates an increase in mortgage delinquency because of the pandemic. Some homeowners have been provided the opportunity to defer payments and enter into forbearance agreements with their lenders. These agreements, approved by the lender, allowed for deferment of mortgage payments only for several months. Since these payments are simply deferred, these payments will come due sooner rather than later under the terms of their payment plans. Based on data received in October 2021, current trends show a delinquency rate of 10 percent.

Loan Type	Total No. of Loans	No. of Loans with original principal amount less than \$ 400,000	Loans with original principal <= \$400K		
			# 60 days delinquent	# 90 Days delinquent	# ≥ 90 days delinquent
Conventional	1554	1471	25	19	118
FHA	41	41	1	1	7
GERS	49	-	-	-	-
USDA Guarantee	53	53	1	1	2
USDA 502 Direct	Data not provided	Data not provided	Data not provided	Data not provided	Data not provided
VA	25	25	1	1	5
VIHFA	377	376	9	2	18

Lenders in the Territory continue to approve mortgage moratorium requests at a rate of 99%. When the federal CARES Act passed in March 2020, it provided forbearances for homeowners with federally backed mortgages; however, many mortgage servicers began approving forbearance requests on all mortgage types to ease the financial impact of the coronavirus.

### **Foreclosure**

The most recognized measure of homeowner distress is the foreclosure rate. It might be considered notable that the foreclosure rate in the Territory is currently low. These low foreclosure rates may not be surprising as during the COVID-19 Public Health Emergency, many state and federal programs had a moratorium on foreclosures and evictions and required forbearance and other protections that delayed the typical foreclosure process. This was particularly true in the Territory where the Government of the Virgin Islands passed a series of local protections, including a moratorium on foreclosures. Prior to the pandemic protections, the foreclosure rate was already relatively low, because, as a judicial state, the U.S. Virgin Islands mandates that foreclosures are determined by a judge of the Superior Court.

### **Community Engagement**

To best serve the Territory of the US Virgin Islands, public participation and community engagement in the development of this plan will be critical. The Territory will rely on the

solicitation of written comments in planning and developing its Housing Assistance Fund Program. The notice of the draft plan, presented to the community, will be published in various media sources on October 29, 2021. Its publication and availability for comments will be presented for fourteen days from October 29 until November 11, 2021. The purpose of the public comment period is to allow the community to provide feedback and engage in the planning process. This public participation and community engagement will provide insight and critical determinations for program development and targeting strategies.

The HAF will also be published on the Virgin Islands Housing Finance Authority's website ([www.vihfa.gov](http://www.vihfa.gov)).

### **Ongoing Assessment of the Needs of Eligible Homeowners**

The Territory plans to continue to monitor data from our HAF program, customer surveys, lenders, the Territory's Banking and Insurance Division and other data sources relevant to ensuring that the HAF program is reaching the owner-occupant population with appropriate programming and in particular those with the greatest need. In addition, the Territory participates in policy calls and learning opportunities organized by the U.S. Department of Treasury and the National Council of State Housing Agencies (NCSHA).

Based on the analysis of these data, the Territory may elect to revise its HAF plan over time and will alert Treasury that it anticipates adding additional program design elements within one year of this submission.

### **PROGRAM DESIGN**

The primary assistance for homeowners in need of help through HAF will be a mortgage loan reinstatement program to prevent eligible households from facing foreclosure and to achieve housing stability. Income-qualified, eligible homeowners will be assisted to cure their delinquent first and subordinate mortgage loan arrearages. This may also include escrow shortfalls or deficiencies and payments needed to reinstate loans from foreclosure or deferred payment status. As demonstrated by the Needs Assessment data and community feedback, mortgage reinstatement will address the greatest and most immediate need of curing existing mortgage delinquencies through the prevention of foreclosure and displacement. Other program elements will be provided to assist homeowners with mortgage payment assistance and reduction, as well as delinquent escrow payments.

### **Eligibility Requirements**

The following requirements apply to applicants under all programs to be funded under the Territory's HAF program:

- The property must be located in the US Virgin Islands;
- The applicant must currently own and occupy the property as their primary residence;
- Household income cannot exceed 150% of the Area Median Income (AMI) based upon U.S. Department of Housing and Urban Development income data;
- Homeowners must describe and attest to financial hardship after January 21, 2020, such as job loss, a reduction in household income, incurred significant costs for health care or experienced other financial hardship due, directly or indirectly, to the Covid-19 outbreak.

### **Property Eligibility**

To be eligible for HAF assistance, properties must be located in the U.S. Virgin Islands and be owner-occupied. Eligible property types:

- Single-family (attached or detached) properties;
- Condominium units;
- 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence.

### **Eligible Mortgage Types**

The Territory's HAF program will offer assistance for a variety of mortgages.

The eligible mortgage types that can qualify a household for assistance include:

- First Mortgages
- Second Mortgages
- In all cases, the principal mortgages must be  $\leq$  \$400,000.00

### **Conditions and Limitations**

The mortgage loan reinstatement, payment assistance, principal reduction, and foreclosure assistance through the Homeowner Assistance Fund Program will be one-time payments with anticipated maximum limitations of approximately \$25,000 of assistance per household. Along with this cap is the limitation that each payment is a one-time assistance. Considering the HAF funding for this program extends into 2025, the HAF may not extend mortgage reinstatement again to the same household during the life of the program even if within the maximum dollar limitation. The cap in assistance dollars is specific to these mortgage programs and does not preclude households from receiving assistance from additional programs that may be a lower priority or subsequently developed and submitted to the US Treasury for approval and then offered for homeowners through HAF funding.

Other conditions and limitations will be further defined in program policies and procedures, and exception requests will be reviewed on a case-by-case basis. Any requests for an exception to this policy must be made in writing and include a justification for exceeding the maximum award amount or other policy requirements. The objective of the Territory's HAF is to utilize the program design elements to provide aid that stabilizes eligible homeowners.

### **Application Process**

The application and intake process will be designed and operated in an accessible manner to avoid barriers to equitable access and to allow for maximum flexibility. Homeowners will be able to apply through a mobile friendly online portal that will allow for the upload of all supporting documents. Language accessible options will also be provided for those who do not use English as their primary language. In addition, the VIHFA will work with local lenders and community organizations to establish program assistance centers to serve as in-person sites

where homeowners who require additional assistance can receive support with submitting the online application.

**Eligibility Review**

Applications will be reviewed for eligibility for qualified financial hardship after January 21, 2020. It is the Territory’s intent to use data verification to help expedite the application review process. Where data verification is not possible or not available, self-certification and document submission by the applicant will be required.

The needs assessment provided in this plan, along with guidance from U.S. Treasury, highlights the need for the Territory to prioritize mortgage assistance with its HAF allocation. The needs assessment found that, at a minimum, over 200 loans are either in forbearance or delinquent. To address the needs of these homeowners, the Territory proposes the following Mortgage Assistance Programs to be funded with the state’s HAF allocation.

**U. S. Virgin Islands Mortgage Loan Reinstatement Program**

<b><u>Criteria</u></b>	<b><u>Terms</u></b>
<b>Description</b>	<p>Provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan,</p> <p>HAF Funds may be used to bring account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums that the servicer advanced to protect lien position.</p> <p>The Territory encourages homeowners to seek additional loss mitigation options offered by the servicer, and the application for this program element will require applicants to report on such efforts, however, an application or completion of such a process will not be required to eligible for assistance under the Territory’s Mortgage Reinstatement Program.</p>
<b>Maximum amount of assistance per homeowner</b>	Each Homeowner will be eligible for up to \$25,000 to be used only for the homeowner’s primary residence.
<b>Homeowner eligibility criteria and documentation requirements</b>	<p>Eligibility Requirements:</p> <ul style="list-style-type: none"> <li>• Proof of ownership, including deed, property tax bill of the principal residence</li> <li>• Utility bill statement</li> </ul> <p>Additional documentation requirements include:</p> <ul style="list-style-type: none"> <li>• Written attestation of current ability to resume any required regular payments after account is reinstated</li> <li>• Mortgage statement from the past 60 days and any additional documents from the mortgagee of past due payments for eligible costs that include valid account, payment and contact               <ul style="list-style-type: none"> <li>a. If name of applicant is not on the deed or mortgage statement (e.g., heirs of property), applicants must have documentation of having made payments to the mortgagee on a regular basis within the past two years</li> </ul> </li> <li>• Documentation of household income at or below 100% of AMI or a written attestation of social disadvantage.</li> </ul>

<b>Loan eligibility criteria specific to the program element</b>	Delinquent by at least two payments, including any payments during a forbearance period or outstanding charges whether in default or in a repayment plan.
<b>Form of assistance</b>	Assistance will be structured as a grant.
<b>Payment requirements</b>	Payments will be made directly to the lender or servicer, as appropriate.

**U.S. Virgin Islands Mortgage Payment Assistance Program**

<u>Criteria</u>	<u>Terms</u>
<b>Description</b>	<p>Provide full or partial payment assistance to homeowners who are unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic.</p> <p>HAF funds may be used to satisfy or reduce a homeowner’s monthly mortgage/loan payments (PITI) up to one year or until the Maximum Amount of Assistance is reached, whichever is lesser.</p> <p>The Territory encourages homeowners to seek additional loss mitigation options offered by the servicer and the application for this program element will require applicants to report on such efforts.</p>
<b>Maximum amount of assistance per homeowner</b>	Each Homeowner will be eligible for up to \$25,000 to be used only for the homeowner’s primary residence.
<b>Homeowner eligibility criteria and documentation requirements</b>	<p>Refer to Eligibility Requirements</p> <p>Additional documentation requirements include:</p> <ul style="list-style-type: none"> <li>• Households with incomes below 100% of Median Family Income</li> <li>• Written attestation of current inability to resume mortgage payments due to unemployment, underemployment or other continuing hardship</li> </ul> <p>Additional documentation Requirements:</p> <ul style="list-style-type: none"> <li>• Statement of current inability to resume mortgage payments due to unemployment, underemployment or other continuing hardship</li> <li>• Mortgage statement from the mortgagee of forward payment obligations that includes valid account, payment and contact information</li> </ul>
<b>Loan eligibility criteria specific to the program element</b>	Delinquent by at least three payments, including any payments during a forbearance period or outstanding charges whether in default or in a repayment plan.
<b>Form of assistance</b>	Assistance will be structured as a grant.
<b>Payment requirements</b>	Payments will be made directly to the lender or servicer, as appropriate.

**U.S. Virgin Islands Mortgage Principal Reduction Program**

<u>Criteria</u>	<u>Terms</u>
<b>Description</b>	Provide funds for loss mitigation measures intended to result in a permanently sustainable monthly payment for borrowers unable to meet scheduled payment requirements due to a financial hardship associated with the Coronavirus pandemic. Funds may be used to achieve principal reductions, recast payment terms, and appropriate funds to ensure such assistance, when leveraged with other available loss mitigation options, results in a sustainable monthly payment amount for the borrower.
<b>Maximum amount of assistance per homeowner</b>	Each Homeowner will be eligible for up to \$25,000 to be used only for the homeowner’s primary residence.
<b>Homeowner eligibility criteria and documentation requirements</b>	Refer to Eligibility Requirements  Additional documentation requirements include: <ul style="list-style-type: none"> <li>• Households with incomes below 100% of Median Family Income</li> <li>• Written attestation of current inability to resume mortgage payments due to unemployment, underemployment or other continuing hardship</li> </ul> Additional documentation Requirements: <ul style="list-style-type: none"> <li>• Statement of current inability to resume mortgage payments due to unemployment, underemployment, or other continuing hardship</li> <li>• Mortgage statement from the mortgagee of forward payment obligations that includes valid account, payment and contact information</li> </ul>
<b>Loan eligibility criteria specific to the program element</b>	Must be delinquent by at least three installment payments (including payments missed during a forbearance period) or otherwise in default, as reflected in documentation from the payee or the payee’s agent.
<b>Form of assistance</b>	Assistance will be structured as a grant.
<b>Payment requirements</b>	Payments will be made directly to the lender or servicer, as appropriate.

**U.S. Virgin Islands Homeowner Displacement Prevention (Foreclosure Prevention)**

<u>Criteria</u>	<u>Terms</u>
<b>Description</b>	Provide funds to resolve any property charge default that threatens a homeowner’s ability to sustain ownership of the property that is not paid as part of the regular mortgage or otherwise covered by or another assistance program.  The homeowner must be brought current by program assistance or resolved concurrently with the program providing assistance.
<b>Maximum amount of assistance per homeowner</b>	Each Homeowner will be eligible for up to \$25,000 to be used only for the homeowner’s primary residence.

<b>Homeowner eligibility criteria and documentation requirements</b>	<p>Refer to Eligibility Requirements</p> <p>Additional documentation requirements include:</p> <ul style="list-style-type: none"> <li>• Homeowner is in default and currently in foreclosure proceedings with the judicial system: <ul style="list-style-type: none"> <li>• Documentation from VI Superior Court</li> <li>• Documentation detailing legal proceedings</li> <li>• Documentation detailing financial hardship occurred as a result of Covid, e.g., a termination letter</li> </ul> </li> <li>• Household has an income of 100% AMI or below Additional documentation requirements: <ul style="list-style-type: none"> <li>• Documentation of household income at or below 100% of AMI</li> <li>• Documentation of arrears that includes valid account, payment, and contact information</li> <li>• Documentation of forward payment obligations that includes valid account, payment, and contact information, if forward payments are being requested.</li> </ul> </li> </ul>
<b>Loan eligibility criteria specific to the program element</b>	Mortgage Foreclosure occurred as a result of the homeowner’s inability to make payments due to Covid -19. Due to the Territory’s status as a judicial state, foreclosure may have commenced post pandemic and is guided by legal procedures.
<b>Form of assistance</b>	Assistance will be structured as a grant.
<b>Payment requirements</b>	Payments will be made directly to the lender or servicer, as appropriate.

**U.S. Virgin Islands Homeowner Delinquent Property Tax/Hazard Insurance Prevention Program**

<b><u>Criteria</u></b>	<b><u>Terms</u></b>
<b>Description</b>	<p>Provide funds to resolve delinquent payments for property tax, hazard insurance, or other assessments that may cause displacement of the homeowner</p> <p>HAF Program funds may be used to pay past due property taxes, insurance premiums, or other assessments that threaten sustained ownership of the property. HAF funds may be used to pay delinquent amounts in full, including interest, whereby a delinquency threatens homeowner displacement</p> <p>The provided assistance must bring the homeowner’s account current.</p>
<b>Maximum amount of assistance per homeowner</b>	Each Homeowner will be eligible for up to \$5,000 through this program element to be used only for the homeowner’s primary residence.

<b>Homeowner eligibility criteria and documentation requirements</b>	<p>Refer to Eligibility Requirements</p> <p>Additional documentation requirements include:</p> <ul style="list-style-type: none"> <li>• Homeowner is at least one installment payment in arrears on one or more property charges including: <ul style="list-style-type: none"> <li>• Property taxes</li> <li>• Insurance: hazard (earthquake, windstorm and fire) and flood premiums</li> <li>• other assessments such as condominium fees, cooperative maintenance</li> </ul> </li> <li>• A bill from the provider indicating account arrearage and listing the homeowner and the address in the application</li> <li>• Documentation of household income at or below 100% of AMI</li> </ul>
<b>Loan eligibility criteria specific to the program element</b>	Assistance is sufficient to resolve the delinquency and is not available from other assistance programs.
<b>Form of assistance</b>	Assistance will be structured as a grant.
<b>Payment requirements</b>	Payments will be made directly to the servicer or authorized third party, as appropriate.

### PERFORMANCE GOALS

Based on the summary above the magnitude of delinquency and forbearance experienced by residents of the U.S. Virgin Islands, and the expected resources available to this program, \$8.5 million, the Territory proposes the following performance goals for the HAF program.

<u>Program Design Element</u>	<u>Metrics of Success</u>	<u>Goal*</u>
Mortgage Payment Assistance	Number of home losses avoided by eligible homeowners who received program funds	Assist 70 households
Allow homeowners to reinstate mortgages or pay other housing related costs	Number of home losses avoided by eligible homeowners who received program funds	Assist 180 households
Mortgage Principal Reduction	Number of home losses avoided by eligible homeowners who received program funds	Assist 40 households
Facilitating mortgage interest rate reductions	N/A	
Payment assistance for homeowner’s utilities e.g., electric, gas, home energy, and water)	N/A	
Payment assistance for homeowner’s internet service (e.g., broadband)	N/A	
Payment assistance for homeowner’s flood, and mortgage assistance	Number of homeowners who received program funds to assist with maintaining homeowner’s or flood insurance	Assist 7 households
Payment assistance for homeowner’s association fees to liens,	Number of homeowners who received program funds to assist	Assist 6 households

condominium association fees, or common charges	with maintaining condominium association fees	
Payment assistance for down payment assistance loans provided by non-profit or government entities	N/A	
Payment assistance to delinquent property taxes to prevent homeowner tax foreclosures	Number of homeowners who received program funds to assist with maintaining taxes, insurance, and other assessments	Assist 7 households
Measures to prevent homeowner displacement (Foreclosure Prevention)	Number of home losses avoided by eligible homeowners who received program funds	Assist 15 households

### **READINESS**

The Virgin Islands Housing Finance Authority, established in 1984, is the state housing finance authority for the U.S. Virgin Islands. The basic mission of the VIHFA is to originate programs to create an adequate supply of affordable housing to meet the needs of low- and moderate-income families through the support of investment of capital to stimulate the construction of owner-occupied and rental housing and through the provision of assistance to homebuyers and renters. The VIHFA is an experienced mortgage lender and provides housing counseling services including foreclosure prevention counseling through its HUD certified housing counselors.

In addition to several homeownership programs, the Authority is also the administrator of several federal resources including: the Low-Income Housing Tax Credits (LITHC), Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), and the HOME Investment Partnerships Program, and the Community Development Block Grant – Disaster Recovery program on behalf of the Government of the US Virgin Islands. The Authority is currently administrator the Emergency Rental Assistance Program (ERAP).

The Authority is also the designated administrator for the Homeowner Assistance Fund, created under the CARES Act, to assist borrowers with delinquent mortgage payments. The Authority’s experience with federal resources will ensure that the HAF will be used to benefit the Territory’s homeowners and socially disadvantaged individuals.

### **Staffing and Systems**

In order to develop and operate this program, specific systems and staffing structures are needed. Certain staffing structures are already in place, and the Authority is actively working to ensure an effective infrastructure is in place throughout the life of this program and will utilize the existing staff to aid in the sustainability of the program. These include:

- Federal Programs Director
- Collections & Servicing Director
- Homeownership Director
- Homeownership Manager
- Homeownership Coordinators
- Accounts Payable Specialists

The experience of administering other federal programs has prepared the VIHFA staff to manage the HAF. The program management team will work collaboratively to develop the program framework and define policies and procedures. Staff will assist with the online screening and application system, applicant services, eligibility review, quality control, payment processing, and reporting support. The Authority will provide an application portal to enhance the user experience throughout this process. It is VIHFA’s intent to provide an accessible, efficient, and streamlined application process for those applying for assistance. As such, VIHFA will have an application platform that allows for on the electronic submission of documentation. All questions in regard to the program will flow through a specific e-mail address to provide informed responses to homeowners and others with inquiries.

Once the application has been received, application review will be conducted by the program staff. When the application is verified as complete, it will be reviewed to ensure all criteria are met. The final step of the application process will take place when the request for assistance is approved and VIHFA’s Accounting Division disburses payments to mortgage servicers and other applicable lenders via electronic payment or check remittance following established internal controls and procedural protocols. Payments will be accounted for in the VIHFA’s SAP Management System and general ledger records, which includes bank reconciliation and financial reporting. Ongoing and regular program compliance processes will be handled through an existing internal compliance department.

**BUDGET**

<b><u>Program</u></b>	<b><u>Amount (\$)</u></b>
Mortgage Payment Assistance	\$1,750,000.00
Mortgage Reinstatement	\$4,500,000.00
Mortgage Principal Reduction	\$1,000,000.00
Facilitate Mortgage Interest Rate Reduction	
Payment Assistance for Homeowner’s Utilities	
Payment Assistance for Homeowner’s Internet Service	
Payment Assistance for Homeowner’s Insurance	\$35,000.00
Payment Assistance for HOA fees or liens/Condo fees	\$30,000.00
Payment Assistance for Down Payment Assist. Loans	
Payment Assistance for Delinquent Property Taxes	\$35,000.00
Other measures to prevent homeowner displacement (Foreclosure Prevention)	\$375,000.00

<b>SUBTOTAL</b>	<b>\$7,725,000.00</b>
Counseling or Educational Services	
Legal Services	
Administrative Expenses: Staff	\$796,959.00
Administrative Expenses: Marketing and Outreach	
<b>TOTAL</b>	<b>\$8,521,959.00</b>