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EDA Announces Changes to VI Slice Mortgage Loan Requirements to Boost Homeownership Through Stalled Program

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Officials from the V.I. Economic Development Authority announced on Thursday adjustments to the loan requirements for the VI Slice Moderate-Income Homeownership Program, commonly known as VI Slice.

The changes, effective immediately, aim to meet the needs of a larger cross-section of the population and stimulate economic growth through increased lending activities for individuals and families seeking to own a home in the U.S. Virgin Islands. The program has been stalled, [mired in inefficiencies](#) that have turned off potential homeowners who were once excited about the program.

However, according to the EDA's Thursday announcement, the maximum combined loan-to-value (CLTV) ratio has been increased from 95 percent to 105 percent, and the debt-to-income ratio (DTI) has been raised from 31 percent to 36 percent. These modifications come after the Economic Development Bank (EDB), a subsidiary of the EDA, received inquiries and concerns from mortgage lenders in the territory about the initial VI Slice CLTV and DTI ratio requirements.

Wayne L. Biggs, Jr., the chief executive officer of the EDA, stated that the adjustments were prompted by feedback from lenders indicating that the initial ratios limited the financing they could offer to clients. The ratios were also not aligned with the requirements for Federal Housing Administration (FHA) loans. The decision to adjust the ratios was thus made to align them with industry standards, enabling more residents to take advantage of the program.

The Combined Loan-to-Value (CLTV) ratio is a way to measure how much money you're borrowing for a home compared to the home's actual value. Imagine you want to buy a house that's worth \$100,000. If you take out a mortgage for \$80,000 and also have a second loan or home equity line of credit for \$10,000, then you're borrowing a total of \$90,000 to buy a \$100,000 house.

To find the CLTV ratio, you'd divide the total amount you're borrowing (\$90,000) by the home's value (\$100,000). In this example, the CLTV ratio would be 90%, meaning you're borrowing 90% of the home's value. This number helps lenders figure out how risky it is to lend you money. The higher the ratio, the more of the home's value you're borrowing, which could be riskier for the lender.

The Economic Development Bank is encouraging lenders who have a fully executed VI Slice Memorandum of Agreement with the EDA to revisit and submit cases that were not reviewed under the previous CLTV and DTI requirements for consideration.

As of October 2022, the VI Slice program is administered in the EDA in partnership with the Office of the Governor and the Office of Disaster Recovery.

For more information about the changes to the VI Slice program, interested parties can send an email to vislice@usvieda.org or visit www.vislice.com.