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Own Land? New ODR Program Covers 50% of Home Construction Costs with Forgivable Loans

The 'Own a Lot, Build a Home' initiative by ODR offers zero percent interest forgivable loans to help first-time homeowners in the USV build on undeveloped land. Qualified applicants can receive up to 50% of construction costs

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Ernice Gilbert **June 28, 2024**

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The V.I. Office of Disaster Recovery has announced the launch of the "Own a Lot, Build a Home" First-Time Homebuyers Assistance Program. This new initiative is designed to help Virgin Islands residents who own land but lack the necessary financing to construct a home.

The program offers a zero percent interest forgivable loan to qualified applicants, significantly reducing the financial burden of building single-family homes on undeveloped properties. To

qualify, the land must be untouched and free from any prior construction or infrastructure, ODR said.

"The 'Own a Lot, Build a Home' Program is a pivotal step towards making homeownership accessible to more Virgin Islanders," said Adrienne Williams-Octalien, director of the Office of Disaster Recovery. "By providing financial support and utilizing disaster recovery funding, we are empowering residents to build and sustain their homes, contributing to the long-term resilience of our communities."

The program provides 50 percent of construction costs to first-time homeowners. On St. Croix, the sum is capped at \$498,257; \$639,400 on St. Thomas, and \$1,09,150 on St. John. "We are encouraging people to go to the lender and get prequalified so that the degree of assistance can be detailed," Mrs. Williams-Octalien told the Consortium Friday.

Homeowners must occupy the home as their primary residence for five years, during which the loan is forgiven at a rate of one-fifth of the principal amount each year. If the property is sold or ceases to be the primary residence within this period, the owner may need to repay the remaining balance.

ODR believes that the program addresses unique challenges in the Virgin Islands, such as limited buildable land and high construction costs, by leveraging \$10 million from Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to subsidize these expenses. Mrs. Williams-Octalien said the forgivable loans will be provided on a first-come, first-serve basis, and that once exhausted, the \$10 million in funding isn't renewable.

To apply for the "Own a Lot, Build a Home" Program, landowners who have resided in the territory for at least three years, must complete a first-time homebuyers program offered by the V.I. Housing Finance Authority, and submit an application through participating lending institutions, such as Banco Popular or Rural Development. The lending institution, along with ODR, will assess the applicant's eligibility based on established criteria to determine the appropriate level of funding, ODR said in its release.

For more information and application details, visit ODR's table at the 2024 Housing Expo hosted by the V.I. Housing Finance Authority. Interested applicants can also visit the ODR's website at <https://www.usviodr.com/own-a-lot-build-a-home/> or contact the New Housing and Infrastructure Construction Program at nhicprogram@usvipfa.com.