The Virgin Islands Consortium

Banks and Loan Servicers in USVI Ordered to Follow CARES Act law and Provide Mortgage Relief; Renters Forbidden From Evicting Tenants for 120 Days

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Lieutenant Governor Tregenza Roach, in his capacity as chairman of the Virgin Islands Banking Board, has ordered all banks and loan servicers licensed and doing business in the territory to provide financial relief for individuals, families, and businesses affected by the COVID-19 pandemic, Mr. Roach's office made known Wednesday.

The order may appear null, as such directives have already been included in the $2 Trillion stimulus package signed into law in March by President Trump. However, Mr. Roach's order gives clarity to the public and puts additional pressure on the banks to act.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides for forbearance on mortgages, relief from evictions, and financial support for eligible businesses to allow for their continued operation.

“All federally backed mortgages, such as those from: U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture, Federal Housing Administration (FHA), U.S Department of Veterans Affairs (VA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) are eligible for forbearance of up to 3 months or 180 days, which can be extended, at your request regardless of whether an account is delinquent,” Mr. Roach said.

Federally backed mortgages on multi-family properties are also eligible for mortgage relief. Mortgages that are not federally insured, may still receive relief, but on terms set by the respective bank.

“It is important for residents to know that they must request this relief from their bank, it is not automatic. Banks will require an orally or written request confirming that the borrower is experiencing financial hardship during the COVID-19 emergency,” the lieutenant governor said.

He added, "The order also highlights protection made available to residential tenants. Under the CARES Act, renters are protected for up to 120 days from evictions from properties which are supported by federally insured mortgages."

Businesses suffering economic hardship can also receive assistance through the Paycheck Protection Program, designed to provide a direct incentive to keep workers on the payroll during the COVID-19 crisis. Applications are available on the Small Business Administration’s (SBA) website at www.sba.gov