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BVI Banks Offer Moratorium To Help Offset COVID-19 Challenges

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Tortola, British Virgin Islands — All of the six major lending institutions in the British Virgin Islands have said they will extend loan moratoriums to their customers experiencing hardship as a result of the ongoing COVID-19 pandemic.

This was reaffirmed by officials from FirstBank VI, Banco Popular de Puerto Rico, ScotiaBank, the National Bank of the Virgin Islands, CIBC FirstCaribbean International Bank and VP Bank, during an e-forum on Thursday, hosted by Money Matters BVI, the financial literacy program at the BVI Financial Services Commission in collaboration with the BVI Bank Association.

Panelists fielded questions related to commercial loans, mortgages, installment loans, credit cards and lines of credit.

“A moratorium indicates that through a process, there can actually be a delay with the payments for a loan, generally for a defined purpose,” according to Senior Vice President at FirstBank VI Angel Dawson. “In this particular case, we know that many of our businesses and individual consumers are being affected by the global pandemic that we’re experiencing, through no fault of their own, they’ve been asked to either shutter their business or not report to work.”

He confirmed that FirstBank is offering moratoriums on the various lending products.

Retail Manager at CIBC FirstCaribbean International Bank, Fabian Devonish, said CIBC FCIB is authorized to offer payment moratoriums to all retail and commercial clients. He said it’s the same process for mortgages and consumer loans and clients are given the option to opt in to the payment waiver.

“It is not automatic, they can reach out through our internet banking platform and request it or they can reach out to their individual lenders or myself as Branch Manager and advise us that they are interested in taking the payment moratorium,” Mr. Devonish said.

He said CIBC FirstCaribbean is offering as much as six months and the client gets to decide the length of the moratorium. The interest will continue to accumulate, so clients can continue to pay the interest during the moratorium period thereby avoiding extending the loan or there can be a full payment waiver of no interest and no principal and this would be capitalized or the accrued interest added to the principal at the end of the moratorium period and the loan reamortized.

For credit card products, this is automatic, where the bank has marked forward payments to the next due date of June 2020. However, clients can opt out and make a payment.

At ScotiaBank, Branch Manager Marvin Scott said they are offering a customer assistance program to all categories of customers and this was widely communicated on social media.

“We have an extensive amortization program,” he said. “The mortgage moratorium that we’re offering, customers are required to opt in, it is not automatic, there is an offer to waive principal and interest payments for up to three months in the first instance with the option of going for up to six months.”

Mr. Scott said depending on the maturity date, as interest will continue to accrue on the facility, ScotiaBank will amortize that incurred interest accordingly.

However, he advised customers who are able to continue their payments to do so, as this is not a pass or a loan waiver. He noted that there are costs associated with it that the customers would be required to pay, but it will not impact their credibility and ability to borrow in the future.

For further information, customers are invited to call ScotiaBank’s 24 hour contact centre on 284 494 3130 or the branch at 284 852 2120 or visit Scotia online.

Vice President/Commercial Credit and Relationship Manager at Banco Popular de Puerto Rico, Darren Vanterpool, confirmed that BPPR is also offering moratoriums across its lending products, both on the personal and commercial space on principal and interest for up to three months in the first instance on the mortgage side.

He clarified that this is not a forgiveness of the debt but an accommodation to allow the individual or the business to not have to make that debt obligation payment on a given month.

“The allowance is usually for when there’s a shortage in cash, whether it is a cash flow problem in the business or if there’s an income problem in the case of personal income,” said Mr. Vanterpool. “So the accommodation is to allow persons to put a financial plan into place so that when the agreed moratorium has expired, then they would be in a position to resume payments.”

Because of the high volume of calls regarding the mortgage product, Banco Popular has set up a call center, with a local number to initiate that process. This is an opt-in program across the board.

Regarding credit cards, Banco Popular clients can opt to skip their payments for up to three months as well. For personal loans, clients can forbear principal and interest.

Mr. Vanterpool announced that BPPR has a digital platform online [here](#), where clients can register interest and apply for the moratoriums for personal loans and credit card products.

He said for mortgage loans and commercial loans, clients are encouraged to reach out to the bank officers.

Client Advisor at VP Bank, Sasha Creque said VP Bank is offering moratoriums to a certain extent by deferring the principle portion of amortized payments, but it must be noted that some of their clients are able to make their full amortized repayments even during this time.

“At this moment, we are not taking a blanket approach to our clientele and offering moratoriums to everyone. What we’re doing is actually asking persons to communicate with us in order to proceed with the application process,” she said.

The financial ability of the client will be assessed to determine how long the moratorium would be needed for. In a case where the client is not able to meet their obligations, the term of agreement can be extended, Ms. Creque said.

Chief Credit Officer at the territory’s indigenous National Bank of the Virgin Islands, Irvin Meade, said the NBVI is offering moratoriums for mortgages on both retail and commercial customers who have incurred hardship as a result of the coronavirus pandemic.

He said the offer is a payment deferral of three months in the first instance.

Chief Executive Officer Joy Penn explained: “On a request-only basis, during the 3 month moratorium period, loan customers with fixed blended payments will be required to pay nothing. However, interest will continue to accumulate during this moratorium period and will be due in the future, subject to payment ability. At the end of the moratorium period, your normal monthly payments would resume (unless negotiated otherwise). A lump sum payment will not be demanded upfront, as this would be deemed burdensome to most persons.”

Mr. Meade said customers are required to request the offer either by telephone – contact your Relationship Officer or Loans Officer at 852 2933 or 852 2902 or by email loans@nationalbank.vg.

Mr. Meade said customers are required to follow up with a written request.