The Virgin Islands Consortium

First Bank Reconsiders; Christiansted Branch To Remain Open

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Ernice Gilbert November 28, 2014

The First Bank branch located in Christiansted, St. Croix, across from the now-shuttered Scotia Bank building, will remain open. *VI Consortium* confirmed the news with officials at the bank's main office in Puerto Rico on Friday.

First Bank has notified branch employees through an internal email of the company's decision to keep the location open after announcing in October that it would close the branch in January. People with knowledge of the situation, who requested anonymity because they were not authorized to speak on the matter, told *VI Consortium* that letters notifying customers of the branch's decision to remain open have also been mailed out.

Sources say owners aborted the idea to close the location after receiving strong opposition from customers, in addition to the fact that customers who live on the eastern part of the island would have to travel to Orange Grove or Sunny Isle in order to do business or use an ATM machine.

In October, *VI Consortium* first broke the news of the branch's intended closure after a source within the company told us it would shutdown on January 9. First Bank had given staff members' notice that if jobs were not found for them elsewhere within the company, they would have been made redundant. At that time, eight employees worked at the branch; however, *VI Consortium* could not confirm how many employees are still working there. We also contacted the main First Bank branch in Puerto Rico to verify the news, and they confirmed to us that bank would indeed remain open.

First Bank's decision to shutter the struggling branch was not based on the company's overall health. On Oct. 2, First Bank Puerto Rico purchased Doral Bank, a community bank on the island, for approximately $192.7 million in cash. According to a blurb on Doral Banks's website, it is "the only community bank in Puerto Rico with a firm commitment to the families, individuals and businesses in our communities."

The Doral Bank deal appears to be mainly a Mortgage Loan Purchase and Sale and Interim Servicing Agreement, giving First Bank "all rights, title and interests in performing certain residential mortgage loans with approximately $192.6 million in outstanding unpaid principal balances as of August 29, 2014 and approximately $47,000 of certain other receivables, including property taxes and insurance premiums, related to the


Now-shuttered Scotia Bank branch in downtown Christiansted, across from the First Bank branch.

Across from the First Bank in Christiansted stands a now-shuttered Scotia Bank branch, where business was once bustling. The shuttering of businesses--even banks--is a new reality in the Virgin Islands, more pointedly on St. Croix, where the closing of the HOVENSA refinery in 2012 and high cost of energy continue to affect the economy.