The Virgin Islands Consortium

Scotiabank Offering Loan Modification, Fixed Rate Mortgage To Balloon Mortgage Customers

Business / **Published On March 18, 2015 06:16 PM /**

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Scotiabank officials met with banking board members and the Division of Banking and Insurance Monday to report on actions the bank is taking to accommodate Virgin Islanders with balloon mortgages that have already expired in 2o15 or will soon expire.

The bank discontinued its balloon mortgage program in 2010. These mortgages mature every five years and is subject to modification, or can be changed to another mortgage product, such as an adjustable rate mortgage or a fixed-rate mortgage.

Scotiabank, at the request of the board and the division, provided the following steps being implemented to assist balloon mortgage customers in transitioning from the product. The bank:

- Is offering a flexible loan modification program for its balloon mortgage customers with no loan origination fee. An appraisal will be required only for loan amounts in excess of $250,000.
- Will offer a 30-year Fixed Rate Mortgage for customers whose balloon mortgages have expired. No Adjustable Rate Mortgages (ARM) will be offered.
- Will send out written notices to notify balloon mortgage customers that the period for loan modification has now been extended to September 30, 2015.
- Will place balloon mortgage loan modification advertisements on Scotiabank’s website, local radio stations and in local newspapers.
- Will hold community meetings on the balloon mortgage loan modification process from 5:30 pm – 6:30 pm on Wednesday, March 18 on St. Thomas at the Small Business Development Center in Nisky Center and on Wednesday, March 25 on St. Croix at Scotiabank’s Sunny Isle Branch. To RSVP for either meeting, please call 340-774-2646.

Rather than have customers submit documents to Cenlar FSB in New Jersey, Scotiabank requests that documents be submitted through its local mortgage unit to Attallah Bertrand-Rogers via fax at (340) 776-0522 or email at attallah.bertrand@scotiabank.com.

By unanimous vote, banking board members asked Scotiabank to submit monthly progress reports on the status of loan modifications to Lt. Gov. Osbert Potter, board chairman, beginning March 31.

"We want to make sure the customers are educated about what is available to them," said Gwendolyn Hall Brady, director of the Division of Banking and Insurance.

In addition to Potter, banking board members attending Monday's meeting were Finance Commissioner-designee Valdemier Collens; Pablo O’Neill, CPA; and Ernesto Gutierrez.