The Virgin Islands Consortium

USDA Low Interest Loans Available For Residents; No Down Payment Required

VIC News / **Published On May 13, 2015 10:51 PM /**

Ernice Gilbert May 13, 2015

ST. CROIX -- There are U.S. Department of Agriculture (USDA) loans available for the territory's residents, however, because of the lack of knowledge, these loans are usually underutilized and the funding sent back to the federal government.

But in a press release issued on Wednesday afternoon by Senator Kenneth Gittens' office, the second term legislator is encouraging residents to take advantage of the loans, made available through the USDA's Rural Development Office.

"In recent discussions with Ms. Kimme Bryce, area director for the Rural Development Office here in the territory, she said their office has been trying to promote approximately three programs that she believes residents can benefit from to help improve their quality of life," said Gittens. "She said the programs include a home repair grant and loan ... -income homeownership loan program and a moderate ... program."


Senator Kenneth "Kenny" Gittens

Gittens said Bryce detailed three programs she believes could help residents. They include:

1) The Rural Housing (RH) 504 Home Repair Loan and/or Grant Program, for very-low income homeowners. With that program, Bryce said repairs to a person’s home may be made to improve or modernize the home, to make it safe, sanitary, or to remove health and safety hazards. The grants, however, are only for the removal of safety and health hazards;

2) The RH 502 Direct Program assists persons with very-low and low income households seeking homeownership. This program is handled directly through the local Rural Development Area Office and applications would be obtained directly from that office, according to Bryce. She said no down payment is needed, there is a low fixed interest rate that is currently at 3.125% and the agency offers subsidized or reduced mortgage payments for eligible borrowers; and

3) The RH 502 Guaranteed Program assists persons with moderate income households seeking homeownership. This program is lender-driven which means that the loan is made by a participating bank/lender of the applicant’s choice. This program also requires no down payment. Rates and terms are negotiated between the applicant and lender.

Gittens said he was told that all of the programs include some income requirements, however, the entire territory, he said, is considered rural, so the programs listed should be available territory-wide.

"In this effort, I am trying to assist in getting the word out on these federal programs that are available to eligible residents. These are federal funds that our residents can tap into for help with various home and business projects. Let's stop sending these funds back to Washington and maximize on its availability while it's here," Gittens said.

Aside from the homeownership loan programs, USDA's Rural Energy Assistance Program (REAP), is geared towards small business owners and agriculture producers. The Rural Development also offers guaranteed loans and grants to purchase or install renewable energy systems, or make energy efficiency improvements to homes.

The senator said he's putting the word out because "you never really know just what you will qualify for until and unless you try by contacting these agencies that provide assistance."

The USDA Rural Development Office can be contacted at by calling (340)773-9146 ext. 4 or visit their office at #4401 Sion Farm next to the Department of Labor.