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## Bryan to Meet With Banks to Introduce Zero-Down Payment Mortgages in USVI; Program Would Make it Easier to Own a Home in Territory

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With homeownership being one of the most sought-after goals for many families, the Bryan administration is preparing a program that utilizes federal dollars for zero-down payment mortgages with the aim of making it easier for Virgin Islanders to own a home.

As part of the program, prospective homeowners would not be required to make a downpayment — currently at 20 percent of the cost of the home for a traditional mortgage and one of the greatest hurdles that aspiring homeowners must overcome. In dollar terms, a prospective homeowner would need to come up with \$70,000 for a home costing \$350,000, an amount that is unattainable for many.

Governor Albert Bryan told the Consortium Sunday that the program would be similar to what's being offered [by Bank of America in 21 states](#). "We are essentially providing the down payment through programs we are running now. We have some more housing program announcements coming out this month," he said.

The Bank of America offering takes advantage of the Community Affordable Loan Solution. It requires no mortgage insurance or minimum credit score, and instead uses credit guidelines based on factors like rent, utility, phone, and auto-insurance payments, according to Business Insider. Borrowers must complete a homebuyer certification course before applying to qualify.

Homeownership across the U.S. and its territories has increasingly become unattainable for a growing group of individuals — disproportionately black Americans whose median income is less than the average U.S. household. Historically high inflation has only exacerbated the problem, with mortgage rates hitting 5.89 percent this month, the highest level since 2008, according to a weekly survey by Freddie Mac released Thursday [and reported by to the Wall Street Journal](#). This new reality has convinced many potential homebuyers to wait until rates are more favorable, though rates are projected to go higher as the Federal Reserve hints at a 0.75 percentage point increase this month.

Business Insider cited a study conducted by mortgage marketplace LendingTree, which found that while mortgages are denied for people of all races, "the share of Black homebuyers who have had their mortgage requests denied is notably higher than the share of the overall population." Lending Tree said the denial for Black borrowers doubles the rate for the overall U.S. population.

The zero-down program, which does not require insurance and a minimum credit score, increases the chances of Black borrowers from gaining entry into homeownership.

"We're setting up a meeting with the banks," Governor Bryan said as he pursues the program.

Though the Community Affordable Loan Solution was passed by Congress in 1974 to prohibit discrimination in the lending process, the homeownership rate for black Americans has been 30 percent lower than that of white Americans, according to a [study](#) performed by the National Association of Realtors. And while homeownership skyrocketed in 2020, the gap saw limited movement, according to the NAR study, which also showed that homeownership in the U.S. climbed to 65 percent that year. As part of the overall figure, however, black homeownership trailed significantly at 43 percent while white ownership grew to 72 percent. For Hispanic and Asian Americans, the rate stayed above 50 percent.