



A Program By The Virgin Islands Office of Disaster Recovery

## GENERAL PROGRAM INFORMATION

### What is the Own a Lot, Build a Home Program?

The “Own a Lot, Build a Home” Program is a territorial lending initiative for first time homebuyers which will provide five (5) year percent (0%) forgivable mortgages for the construction of a new single-family dwelling. This program targets moderate income eligible clients whose household incomes are based on 120% area median income for the CDBG-DR Housing Programs. The Program will work in collaboration with participating lending institutions to provide secondary financing based on the lesser of 50% of construction cost or the appraised value.

## PROGRAM FEATURES

### How does the program work?

Applicants must apply through a participating lending institution of their choice. Each applicant will be required to complete the Program application through a participating lending institution and submit all required program documentation. The lender will submit a referral to the program based on their Prequalification/ Preapproval for construction.




### Who is eligible to participate in this program?

#### Eligibility Determination Criteria:

- ✓ All applicants must be a first-time home-buyer
- ✓ All applicants must meet the established income requirements
- ✓ All applicants must be a resident of the Territory for the last three (3) years
- ✓ All applicants must be pre-qualified for a mortgage loan based on nationally accepted underwriting standards
- ✓ All applicants must attend a Homebuyer’s Education Program and earn a Homebuyer Education Certificate

**\*Applicants must register with VIHFA for the on-line class at:**

 <https://www.vihfa.gov/programs/home-ownership-programs>

## ADMINISTRATION OF THIS PROGRAM

### Homebuyers Assistance Program Process

The borrower's investment will be driven by the equity included in the land owned and applicable closing cost. The program may pay for closing costs as needed.



### Second Mortgage (CDBG-DR)

**INTEREST RATE:**

0%  
Forgivable Loan

**REPAYMENT TERMS:**

Five (5) Year  
Affordability Period

**AMOUNT:**

The program will work in collaboration with the participating lending institutions to provide secondary financing based on the lesser of 50% of construction cost or the appraised value.

The combined loan to value of the first mortgage and second mortgage cannot exceed the total acquisition cost {exception allowed when a borrower obtains closing cost assistance}.

### INCOME LIMITS

The income limits are based on the Annual Limits published by HUD for the CDBG-DR Program.

[www.hudexchange.info/resource/5334/cdbg-income-limits/](http://www.hudexchange.info/resource/5334/cdbg-income-limits/)

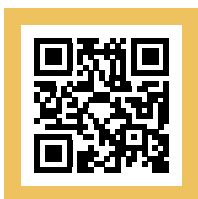
### ELIGIBLE PROPERTIES

#### Property Requirement Criteria

- ✓ Each property must have been acquired through a valid deed.
- ✓ Each property must not have any substantial adverse environmental factors.
- ✓ Each property must not be in a regulatory floodway or in designated Coastal Barrier Resource Area.
- ✓ Each property must be inspected and appraised.
- ✓ Environmental review is conducted as part of the property eligibility requirement and will be completed prior to finalizing the CDBG-DR award to an eligible applicant.

### LENDERS

#### Banco Popular and Rural Development



### CONTACT INFORMATION

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- www.usviodr.com/own-a-lot-build-a-home

