

**GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR
VIRGIN ISLANDS BANKING BOARD**

**TO ALL BANKS AND SERVICERS)
LICENSED AND DOING BUSINESS)
IN THIS TERRITORY)
_____)**

ORDER NO. 1/2021

ORDER

WHEREAS, the Lieutenant Governor of the United States Virgin Islands, by statute, also serves as Chairman of the Virgin Islands Banking Board (“Board”); and

WHEREAS, pursuant to 9 V.I.C. §61, the Board is charged with authority to regulate and supervise all banks licensed in the United States Virgin Islands “in such manner as to secure the safe and sound conduct of such business, to prevent unsound practices, and thus to maintain the public confidence in such business and protect the public interest”; and

WHEREAS, the coronavirus pandemic (“COVID-19”) continues to have a negative economic impact on individuals, families and businesses throughout the contiguous United States and its territories, thereby creating a need for federal and local Governments to provide economic relief to persons being adversely affected; and

WHEREAS, on March 27, 2020, former President Donald J. Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (“CARES Act” or “Act”), which provided emergency assistance and relief for individuals, families and businesses affected by the 2020 coronavirus pandemic; and

WHEREAS, the Act required, among other things, that banks and servicers with federally owned or backed mortgages notify borrowers in writing of the forbearance options available to them; and

WHEREAS, specifically, banks and servicers were required to notify borrowers with federally backed mortgage loans that:

(1) forbearance is available to residential borrowers for 180 days, plus up to another 180 days regardless of the delinquency status of the loan, subject to the borrower’s request for forbearance and the borrower’s affirmation of financial hardship during the COVID-19 emergency; and

(2) if a multifamily mortgage loan, forbearance is available for 30 days providing the loan was current on February 1, 2020, and up to two 30-day extensions as long as a request

for an extension is made 15 days prior to the expiration of the current 30-day forbearance period; and

WHEREAS, the Act also provided that banks and servicers were not allowed to charge any fees or penalties beyond regular (non-default) interest accrued on the borrower's mortgage account during the forbearance period; and

WHEREAS, in addition to the above-referenced mortgage protections, the Act also included provisions providing moratoriums on foreclosure and eviction for 60 days and economic relief to businesses through the Paycheck Protection Program ("PPP") until June 30, 2020; and

WHEREAS, in Order No. 4/2020 issued on April 8, 2020, the Board in its Order summarized some of the pertinent economic relief provisions available to borrowers and renters in the CARES Act; moreover, the Board ordered all banks licensed in this Territory with mortgage loans that were not federally backed mortgage loans subject to the CARES Act to make available a 90-day forbearance period, which was subject to the conditions imposed by each bank; and

WHEREAS, since the issuance of the Order, the deadlines for mortgage forbearance on federally backed mortgages, moratoriums on foreclosure and eviction and accessing the PPP program have been extended repeatedly; and

WHEREAS, on the first day of the Biden-Harris administration, President Joseph R. Biden, Jr. issued an Executive Order, that included, "providing relief to individuals, families, and small businesses; and to state, local, tribal, and territorial governments"; and

WHEREAS, in the Executive Order, President Biden requested that "[a]gencies should take the actions identified in subsection (a) of [the Executive Order], as appropriate and consistent with applicable law, and in doing so should prioritize actions that provide the greatest relief to individuals, families, and small businesses..." and

WHEREAS, consistent with the President's Order, U.S. Department of Housing and Urban Development ("HUD"), U.S. Department of Veterans Affairs ("VA") and U.S. Department of Agriculture ("USDA") announced extensions on foreclosure and eviction moratoriums and mortgage forbearance through March 31, 2021 on federally backed mortgages; and

WHEREAS, in furtherance to the Biden's Administration commitment to American families, Press Secretary Jen Psaki, in a Press Briefing of February 16, 2021, announced a coordinated extension and expansion of forbearance and foreclosure relief programs for HUD, VA and USDA through June 30, 2021; and

WHEREAS, specifically, the action of these agencies will:

- (1) "Extend the foreclosure moratorium for homeowners through June 30, 2021;

- (2) Extend the mortgage payment forbearance enrollment window until June 30, 2021 for borrowers who wish to request forbearance;
- (3) Provide up to six months of additional mortgage payment forbearance, in three -month increments, for borrowers who entered forbearance on or before June 30, 2021”; and

WHEREAS, additionally, foreclosure and eviction moratoriums on single-family housing loans, real estate owned evictions and mortgage forbearances on Fannie Mae and Freddie Mac owned mortgages have been subsequently extended from February 28, 2021 to March 31, 2021; and

WHEREAS, to this end, this Order expands Order No. 4/2020 by: (1) extending the timeframe for borrowers of non-federally owned and backed mortgage loans that are eligible for mortgage forbearance to June 30, 2021 and (2) reinforcing the current federal deadlines relative to moratoriums on foreclosure and eviction, mortgage forbearance on federally backed mortgage loans and the Paycheck Protection Program which expires on March 31, 2021;

NOW THEREFORE BE IT RESOLVED THAT:

In accordance with the authority of the Virgin Islands Banking Board under Section 61 of Title 9 of the Virgin Islands Code, it is hereby

ORDERED that this Order extends to federally backed and non-federally backed mortgages; and

FURTHER ORDERED that all banks and servicers licensed and doing business in the U.S. Virgin Islands shall be required to provide all borrowers a disclosure form, which must be signed by the borrower indicating his or her approval of the forbearance and the terms of the forbearance, which should include the forbearance period, when payment(s) will be due after the forbearance period expires, and the effect of the forbearance on the borrower’s escrow account; and

FURTHER ORDERED that no borrower shall be required to pay in full immediately after the termination of the forbearance period expires, the total amount due during the time of the forbearance period; and

FURTHER ORDERED that a copy of this Order shall be served, by certified mail, return receipt, upon:

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Dared this _____ day of the month of March, 2021 in St. Thomas Virgin Islands.

Tregenza A. Roach, Esq.
Lieutenant Governor
Chairman, Virgin Islands Banking Board