



UNITED STATES VIRGIN ISLANDS

Economic Development Authority

WAYNE BIGGS, JR.
CHIEF EXECUTIVE OFFICER

**TESTIMONY
BEFORE
THE
COMMITTEE
ON
HOUSING, TRANSPORTATION, AND TELECOMMUNICATIONS**

**VI Slice Moderate Income Homeownership Program
(A Gap Financing Program)**

SEPTEMBER 10, 2025

1 Good day – Senator Marvin A. Blyden, Chairman, Committee members,
2 senators and staff of the 36th Legislature, Virgin Islands Economic Development
3 Authority (“VIEDA”) team members, the legislative staff, and the listening and
4 viewing public. I am Wayne Biggs, Jr., Chief Executive Officer of the VIEDA; here
5 with me today is Mr. Dwayne A. Benjamin, Sr., Assistant Chief Executive Officer,
6 Mrs. Kelly Thompson Webbe, Chief Financial Officer, and Ms. K’Nisha Gumbs,
7 Loan/Collection Officer. Unfortunately, Ms. Monique Samuel, Managing Director,
8 Economic Development Bank for the United States Virgin Islands is out of the
9 Territory and cannot be here with us today. I would like to thank the Committee
10 Chair and members of the Committee on Housing, Transportation, and
11 Telecommunications for inviting us to provide a status update on the VI Slice
12 Moderate Income Homeownership Program (“VI Slice”).

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14 **Virgin Islands Economic Development Authority (VIEDA)**

15 The VIEDA is the umbrella organization that assumes, integrates, and unifies
16 the functions of the following subsidiary entities: the Economic Development Bank
17 (“EDB”), the Economic Development Commission (EDC”), the Enterprise Zone
18 Commission (“EZC”), and the Economic Development Park Corporation (“EDPC”).

It is a semi-autonomous governmental instrumentality responsible for the development, promotion, and enhancement of the economy of the United States Virgin Islands.

The basic objectives of the VIEDA are to promote the growth, development, and diversification of the economy of the United States Virgin Islands; to create opportunities for the gainful employment of residents; to promote access to capital; to contribute to the development of the educational system; and to preserve the environment, beauty, and natural resources of the Territory.

Through its four main pillars: the Economic Development Bank, the Economic Development Commission, the Enterprise Zone Commission, and the Economic Development Park Corporation, the VIEDA has facilitated investment opportunities, thereby leading to job creation and retention, as well as assisted our clients with bringing their dreams of entrepreneurship and business growth to fruition.

VI Slice Moderate Income Homeownership Program (VI Slice)

The VIEDA was charged by the Honorable Governor Albert Bryan, Jr., with administering the VI Slice Moderate Income Homeownership Program known as VI Slice. The primary goal of VI Slice is to establish opportunities that may increase

homeownership rates amongst moderate-income households in the US Virgin Islands by offering “Gap Financing”. The program supports long-term sustainability, resiliency, and economic viability across the Territory by providing financial assistance to expand affordable homeownership opportunities to first-time home owners. VI Slice is a “Gap Financing” Program funded through an \$8M American Rescue Plan Act (“ARPA”) grant. It is administered by the Virgin Islands Economic Development Authority (USVIEDA) in partnership with the Office of Disaster Recovery (“ODR”) and the Office of the Governor, with participation from the Territory's mortgage lending institutions.

What is Gap Financing?

Gap Financing is supplemental funding to help applicants bridge the “gap” or shortfall between the overall project cost and the amount secured through a primary lender.

VI Slice supports the following activities:

- Home Purchase without or with rehabilitation, if necessary, to make the house livable and bring up to current building codes, (Limit: \$200K),

- New Construction (Limit: \$200K), and
- Down Payment & Closing Costs Assistance (Limit: \$100K).

However, the VI Slice maximum aggregate gap financing amount is \$200K.

To be eligible for VI Slice an Applicant must:

- Meet established household income requirements.
- Be a first-time homeowner. A first-time homeowner is defined as an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase/construction of the property.
- Be a resident of the territory for the last three (3) years prior to the signing of a sales contract, except for those applicants who were prior residents of the territory for at least 10 years and have now opted to return, or whose birthplace is the U.S. Virgin Islands.
- Attend the Virgin Islands Housing Finance Authority's Homebuyer Education Program and earn a Homebuyer Education Certificate of Completion.
- Attain a Commitment Letter for a mortgage loan based on the underwriting standards of the primary mortgage financing lender.

- Have the ability to make a minimum earnest money deposit of \$5K at the time of signing the purchase contract. (For Veterans holding a certificate of eligibility or an honorable discharge via the DD214, are exempt from the earnest money deposit requirement).
- Have the ability to make an additional investment, if required, into the mortgage transaction in an amount to be determined by the primary lender.
- Have a minimum credit score of 620 or conform with the required credit score of the primary lender.

To be eligible for VI Slice Program financing:

- An Applicant must have a Commitment Letter from a primary lender.
- An Applicant must have a Sales Contract or Purchase Agreement, if applicable, for home purchase or a valid Contractor's Estimate for home construction.
- An Applicant must obtain the maximum funding available from a primary financing lender.
- The Applicant is required to submit the Commitment Letter from a qualifying lender for at least 60% of the overall project cost.

- The Applicant's combined mortgage payments cannot exceed 36% of the Applicant's gross monthly household income, providing that this is in accordance with the primary lender's policy.
- The Applicant's debt repayment cannot exceed 43% of gross monthly household income, providing that this is in accordance with the primary lender's policy.
- The maximum Combined Loan-to-Value ("CLTV") cannot exceed 105%.
- The Applicant must obtain a 30-year, but not more than a 40-year (if available), fixed-rate loan from a primary lender.
- The property must be utilized and remain as the client's primary residence for a minimum period of 10 years.

It is important to note that if the Primary Participating Lender's mortgage requirements are more liberal than VI Slice Program financing requirements, the Primary Participating Lender's mortgage requirements are utilized when evaluating the Primary Participating Lender's VI Slice gap financing request.

How does the VI Slice Program work?

1. Applicant applies for a mortgage or construction loan from a primary lender.
2. Primary lender evaluates and determines the loan amount, and the financing “gap”, if any.
3. Primary lender refers its client’s application to VIEDA for the VI Slice Program if it is determined that there is a need for gap financing.
4. If the referral package is approved, the borrower will execute a first mortgage in favor of the primary lender and a second 10-year VI Slice mortgage for the gap financing amount.
5. The client utilizes the home as their primary residence and submits an annual certification statement as proof of residency.
6. The client pays nothing on the second mortgage providing the property remains as their primary residence for a 10-year period and they do not sell, lease, or move out.
7. The VI Slice mortgage converts to a grant at the end of 10 years if the client remained in the house for the 10-year period.

VI Slice Status Update

As of August 31st, 2025, 88 VI Slice applications have been received requesting VI Slice gap financing of \$9,317,028.30 for primary lender financing of \$27,822,473.00. Sixty-five applications have been approved totaling \$6,811,190.41 in VI Slice gap financing with overall primary lender financing of \$20,186,223.00. Nine (9) applications were withdrawn by the primary financing lender totaling \$835,569.91 in VI Slice gap financing with primary lender financing of \$3,126,450.00. Three (3) applications were declined by the primary financing lender totaling \$398,927.04 in VI Slice gap financing with primary lender financing of \$762,000.00, and three (3) applications were declined by the VIEDA/EDB totaling \$462,963.94 in VI Slice gap financing with primary lender financing of \$1,145,800.00. Four (4) applications requesting VI Slice gap financing of \$556,150.25 with primary lender financing of \$1,086,469.00 are currently awaiting submission of supplemental documents from the primary financing lender to be decisioned by VIEDA/EDB. Four (4) draft applications requesting VI Slice gap financing of \$369,250.00 with primary lender financing of \$1,373,600.00 have been submitted in the online application portal by primary financing lenders to be decisioned by VIEDA/EDB when the application is complete.

Of the 65 approved applications, 46 have been approved for St. Croix totaling VI Slice gap financing of \$4,009,207.96 with primary lender financing of \$13,212,723.00, and 18 for St. Thomas totaling VI Slice gap financing of \$2,633,412.30 with primary lender financing of \$6,473,500.00, and one (1) for St. John totaling VI Slice gap financing of \$168,570.15 with primary lender financing of \$500,000.00. Sixty-one approved VI Slice transactions have closed and are fully disbursed totaling \$6,255,040.16 in VI Slice gap financing with primary lender financing of \$19,099,754.00, and four (4) approved VI Slice transactions are pending closing totaling \$556,150.25 in VI Slice gap financing with primary lender financing of \$1,086,469.00.

Banco Popular has originated 22 approved VI Slice transactions, Capital Mortgage Services of Texas has originated 17 approved VI Slice transactions, the United States Department of Agriculture/Rural Development has originated 10 approved VI Slice transactions, Oriental Bank has originated nine (9) approved VI Slice transactions, Merchant's Commercial Bank has originated three (4) approved VI Slice transactions, and First Bank Virgin Islands has originated three (3) approved VI Slice transactions.

VI Slice Challenges

The three (3) main challenges the program has faced are:

1. Inventory of affordable homes available on the market;
2. High cost of home construction; and
3. Limited number of mortgage lenders offering construction financing/construction loans for residential homes.

We will continue our aggressive marketing initiatives to include town hall meetings, radio and newspaper advertisements, social media campaigns, webinars, and community outreach to involve participation by the local schools.

Individuals seeking more information can visit the VI Slice website at www.vislice.com or send an email request to vislice@usvieda.org.

I thank you for the opportunity to provide this status update on behalf of the VIEDA on the VI Slice Moderate Income Homeownership Program to the

189 Committee on Housing, Transportation, and Telecommunications. My team is
190 available to answer any questions you may have related to my testimony.