

Hicoria Pines Homes Achieving Homeownership

By KIM MOODY Staff Writer
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The home where Alex Kling will raise her son.

COURTESY PHOTO

LAKE PLACID — Home ownership is a big part of the American Dream. For many, the reality of home ownership is out of reach. Hicoria Pines Homes CEO Dean Wallace is helping people turn their dream of home ownership into a reality. June is National Homeownership Month.

Wallace is a certified packager for the U.S. Department of Agriculture (USDA) 502 home loans. He works with clients to prepare their loan applications for approval from the USDA Rural Development program. USDA loans are attractive because they offer \$0 down payment loans, lower than conventional percentage rates and are more lenient on family income guidelines so low to moderate families qualify. They are a little less rigid on the credit as well; applicants need to have a minimum credit score of 640.

Wallace gave a brief summary on what clients expect from Hicoria Pines.

“We gather all information,” he said. “ But ultimately, USDA is the final arbiter, decide how much a person is going to get, but we created all of your financials (records), and then we submit for approval.”

The client will pay a \$25 “soft pull” of their credit to determine if they meet the minimum standard. Wallace said the soft pull will not hurt anyone’s credit and the USDA will eventually do its own credit check.

If there are any hiccups in the credit, Hicoria Pines can offer guidance. Wallace said it is not a certified credit counselor.

“Then we start the application process,” Wallace said. “We give you a list of items that you need to bring. For example, if you come into the office today, you need to bring your last four pay stubs, bank statements, your W-2s, driver’s license. So, we start gathering a bunch of paperwork.”

Once the application is sent to the USDA, the process could take a few months. Being patient in the process is a skill that was practiced by Dona McGilvary, a client who was approved just a couple of months ago. Currently she is living with a friend because her rent skyrocketed out of her budget. At 79, McGilvary is building a new home and has been in talks with the contractor about plans for the 950-square-foot home in the Sun ‘N Lakes subdivision in Lake Placid. Her interest rate was 2.5%.

“That’s all I need to have to take care of,” McGilvary said.

Homes purchased with USDA loans must be in an area deemed rural. All of Highlands County is rural, as well as DeSoto and Hardee counties. The houses can be in any state or U.S. territory.

There are three choices with a USDA loan: buy an existing home, preferably energy efficient; buy a home that needs to be rehabbed or build a home.

“The only thing I could see as a drawback is time. I told them they needed to get it built while I was still living,” McGilvary said. “The best thing is working with Dean has been a joy. I tell you, he takes his people to heart. If he doesn’t like something or doesn’t think it sounds right, he’ll go directly to the tax collector, or whoever he has to talk to, to get it straight now. He’s just a great guy.”

Perhaps the best part of the program is just about anyone can afford it. A \$250 refundable deposit is taken to ensure applicants don’t back out of the process after they have put loads of manhours into the client’s case. Once the deposit is refunded, Wallace said the total out of pocket for a client is about \$150 for the USDA’s credit scores and paying for the homebuyer’s education course.

Potential clients may be those who have lost their homes because of raised rents, or suffered unforeseen financial problems before they are approved. Wallace said they are working on obtaining an apartment building with apartments where people can temporarily and affordably live until their homes are closed on or built.

There are some restrictions and lots of paperwork, but McGilvary said it’s worth it.

“I talked to people about the program, and I encouraged them to call Dean and I had a couple of them say to me, ‘well, you know, my credit’s not so hot,’ and that kind of thing,” she said. “But they work with that. You just have to be patient. I’m goal oriented. I see the light at the end of the tunnel, and that’s where I want to get.”

Alix Kling was renting a home and found out the owner was selling the house. Kling, 26 and a mother of 5-year-old Aidan, had to find another place to live. She pondered different loans and wasn’t sure which direction to go. A friend told her about Hicoria Pines Homes and USDA loans. It was the best decision she ever made. Her approval process took between two and three months. After searching the real estate market for quite some time, Kling decided she would need to build to have the perfect home. Although she was intimidated by the process, Wallace and his team were there to walk her through it.

"I could not have done it by myself," Kling said about the loan packaging process. "Dean literally handled everything. It's a process but totally worth it."

Kling's son has been diagnosed with non-verbal autism and the house means security for the small family. Change does not come easy for her son and moving twice in his life was hard for him. Aidan has told his mom by sign language he wants to paint his room blue.

"No one is ever taking this away from us," Kling said. "This is security for us. I will raise my son here," she said.

Wallace said USDA loans still have a lower interest rate than conventional despite the recent hike. The rates are locked in when the application process is started.

Hicoria Pines Homes, Inc. is at 106 Washington St. in Lake Placid. The phone number is 863-318-7481 or toll-free at 833-524- 3058

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