



Rural Development • Rural Housing Services • Section 502

Lifetime Renter Achieves Homeownership

Rural Development has a multitude of programs that help communities expand upon their existing assets and assist in creating an infrastructure to help improve the lives of rural residents. For Linda Pickett, the opportunity to own a home has long seemed to be a distant reality. For her entire adult life, Ms. Pickett, age 62, turned towards renting a house in order to put a roof over her head. In addition to renting, Ms. Pickett incurred additional costs each month from having to rent outside storage space at a nearby storage facility. Believing that homeownership was a better investment than continuing to rent, Ms. Pickett applied more than six times trying to obtain a mortgage from conventional lenders and was denied each time because she was unable to come up with the 20% down payment commonly required. Although it seemed impossible that she could ever qualify for a mortgage, Ms. Pickett made contact with Rural Development Specialist Sherri Sisk.



Hands on help made the difference. USDA Rural Development Team Renee Braunschweig, Sherri Sisk, and Annabel Webb with new home owner Linda Pickett (center front).

Sherri, understanding the needs of Ms. Pickett and possessing a knowledge of RD housing programs, was able to offer her expert advice and support for helping Pickett choose the right product for her personal situation. With Sherri's guidance and support, Linda was able to work with Rural Development to address key considerations that appear in the mortgage process. Once the application had been submitted for review and she had completed first-time homebuyer education course with the UT Extension Service, it was determined that Ms. Linda Pickett was eligible to receive a Rural Development 502 home loan. While Ms. Pickett exemplifies the ability and willingness to make a monthly mortgage payment, she experienced little opportunity to save money each month to put towards a down payment. With RD's 100% financing and a low, fixed interest rate for 33 years, Ms. Pickett was able to find and purchase her dream home. Now, rather than paying rent, she is investing in her own home, building equity at roughly the same amount as a monthly rent payment. With her current mortgage, Linda Pickett's house payment, including interest, taxes, and insurance, is less than \$500 per month. Rural Development has a variety housing products designed to help individuals and families of all income levels obtain home ownership for the first time. In addition, programs exist for current homeowners that provide needed repairs to keep their dwelling in a decent, safe, and sanitary state. For more information on Rural Development and a complete list of its programs, please contact your local Rural Development office.

Obligation Amount: \$82,000

Date of Obligation: 06/19/2014

Congressional District: Representative Desjarlais, TN-4 ; Senators Alexander and Corker

Partners: UT Extension Service

- Demographics:**
- Low and Very Low individuals/families
 - 510 households in FY-13

Impact: Lifetime renter now building equity