



January 23, 2009

The Honorable Martin O'Malley, Governor
State House
Annapolis, Maryland 21401

Dear Governor O'Malley:

We are pleased to submit the enclosed 2008 annual report on the Assistive Technology Loan Program, as required by Human Services Article § 7-616 (MSAR # 6074). We are proud of the positive impact the program has had on the quality of life of those supported with loan guarantees in the eight years since the loan program was first implemented.

Thank you for your support of this essential program and for other services that benefit Marylanders with disabilities.

Sincerely,

A handwritten signature in cursive script that reads "Catherine A. Raggio".

Catherine A. Raggio
Secretary

Enclosure

**ANNUAL REPORT TO GOVERNOR
MARTIN O'MALLEY AND THE
MARYLAND GENERAL ASSEMBLY**

on the

**ASSISTIVE TECHNOLOGY
LOAN PROGRAM**

January 23, 2009

The Assistive Technology Loan Program

The Assistive Technology Loan Program (ATLP) was created by HB 878, Assistive Technology Guaranteed Loan Program and Fund on October 1, 1999, to provide assistance for the purchase of assistive technology equipment designed to enable individuals with disabilities to become more independent or more productive members of the community with an improved quality of life. (Article 41, Section 14-903). The program partners with lenders to provide loans for assistive technology to borrowers who are unable to qualify for traditional credit. Participating lenders issue loans while the program provides loan guarantees and interest subsidies to make loans accessible and affordable to people with disabilities and their families. Program staff members provide significant support to all applicants and credit counseling to those who require it. The ATLP is a part of the Maryland Technology Assistance Program (MD TAP), a program within the Maryland Department of Disabilities (MDOD). The ATLP is guided by an eleven-member board of directors including eight individuals appointed by the Governor and three representatives of state agencies. The ATLP funds administrative costs through interest earnings from the loan fund.

Approved Loans and Program Expenditures

As of December 31, 2008, the program had approved 476 loan guarantees and/or interest subsidies for loans declined by conventional lenders, 461 of which are now closed with area lenders. Ninety-three (93) additional loan guarantees were approved but the terms were not accepted by the applicants. The total principal amount for approved loans was \$5,077,460, and 98 percent of these loans were issued through area lenders.

At no cost to the program, an additional 149 loans were approved without guarantees. Borrowers received discounted interest rates through an agreement with our program. The State Employees Credit Union funded 122 of these loans. The total principal for these approved loans was \$3,375,821, and 79 percent of these loans were issued by the State Employees Credit Union.

The Workability Loan Program, a Telework and Self-Employment Loan Program for home based businesses, was launched in 2007 by the ATLP. The Workability loan program has already approved 6 loans for \$104,561, and 99.5 percent of the Workability loans have been issued by area lenders.

Additional fiscal highlights include:

- 436 borrowers have now repaid a total of \$6,277,609.
- 367 borrowers with guaranteed loans have paid their loans in full.

There have been only 58 defaults since the inception of the program began resulting in potential losses of \$368,337. Though vehicle repossessions and payment plans via the Central Collections Unit that are in process will significantly reduce the amount of the actual losses, as of 12/31/08 the program has recovered \$103,137.

Results for Borrowers

Borrowers have used loans to improve their lives substantially. Modified vehicles, (the most frequently requested item), have enabled people with disabilities to start or continue employment, go to college, and/or move to more desirable homes not served by public transit. Parents living in rural areas have used lift-equipped vans to drive children with disabilities to Baltimore for essential

medical services. Vehicles have opened a vast array of social and spiritual opportunities as well. Computers have also advanced borrowers' dreams of home-based businesses, enabled children with disabilities to complete schoolwork successfully, broadened communications for people who previously lacked access to the Internet, and helped one teacher with cerebral palsy produce legible classroom notes.

Through program loans people with disabilities have been able to purchase homes and make them more accessible. Others living in dangerously inaccessible houses were able to add ramps and lifts to afford safe, easy access to their homes. Through a home modification loan, one family was able to reunite with their two-year-old son who had nearly drowned in an accident.

One borrower used his Telework loan to establish a home-based greeting card business. Another Telework borrower has successfully developed a home-based business to transport equipment between vendors. Initially, he was the employee of a company making deliveries to various vendors. The company decided to contract out this delivery service. In partnership with the RISE program (Reaching Independence through Self-Employment), a project within the Department of Rehabilitation Services, this individual not only didn't lose his job but is successfully repaying his loan and has established his own home based business.

Borrowers who are blind have purchased scanners, Braille display equipment, global positioning systems, and closed circuit televisions to assist them in ongoing daily activities. Deaf individuals purchase telecommunications devices so they can communicate by telephone and visual monitors for their homes that allow them to monitor their environment more safely. Scooters and wheelchairs allow borrowers out of their homes and into their communities. One individual was able to purchase a transport device that allowed him to use public transportation and save enough money in parking fees to pay for the device he purchased.

Through grants, and a loan from our program, a borrower whose son was injured at birth was able to purchase an adapted vehicle to transport him to ongoing medical and therapy appointments. The modified vehicle allows him to join in all family activities.

In short, the Program directly helps people with disabilities get jobs, start businesses, advance their educations, get involved in their communities, communicate, and remain safely in, or return to, their own homes instead of living in institutions.

Other Program Accomplishments

- Negotiation of a significant change in the set aside required by our private lending partners. Initially, we were required to set aside 100% of the guarantee resources in a secure and independent site to insure against loan defaults. We received minimal interest on these required deposits. Lenders now require no set aside for guaranteed loans, however we still maintain a fund balance to protect against defaults.
- Use of interest on the loan funds supports enhanced staffing and other administrative expenses of the program.
- Establishment of a faster process for application review by the loan program Board of Directors. Most loan guarantees can be made within 72 hours.

The Assistive Technology Loan Program

- Currently the program is able to guarantee loans of up to \$50,000 for a maximum of 96 months on signature loans up to \$7,500 for 60 months and up to 120 months on home equity loans.

Loan volume, superior customer service and innovative partnerships have established the Maryland ATLP as a leader in assistive technology loans nationwide. Staff were invited to serve as members of the steering committee, as consultants, and members of the annual planning subcommittee for the National Assistive Technology Technical Assistance Partnership, (NATTAP), that will provide technical assistance and training to entities funded under sections 4 and 5 of the Assistive Technology Act of 1998, (as amended), to improve the implementation of that Act and appropriate technical assistance, and provide training to entities not funded under that Act to improve knowledge about and access to assistive technology.