



January 19, 2011

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

Dear Governor O'Malley:

We are pleased to submit the enclosed 2010 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 ten 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 19, 2011

The Assistive Technology Loan Program

The Assistive Technology Loan Program (ATLP) was created on October 1, 1999, (Human Services Article Sections 7-601-616) 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. 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 housed at 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 pays for program administration costs through interest earnings from the loan fund housed in the Maryland Comptroller's account.

Approved Loans and Program Expenditures

As of December 31, 2010, the program has approved 663 loan guarantees and/or interest subsidies for loans declined by conventional lenders, 529 of which are now closed with area lenders. One hundred and thirty four (134) additional loan guarantees were approved but the loans were not finalized by the applicants. The total principal amount for approved loans was \$5,744,933, and 80 percent of these loans have already been issued through area lenders.

An additional 164 loans were approved without guarantees and without any cost to the program and partnering lender. Borrowers received discounted interest rates through an agreement with our program. The State Employees Credit Union of Maryland has already funded 126 of these loans. The total principal for these approved loans was \$2,773,442, and 77 percent of these loans have been issued by the State Employees Credit Union of Maryland.

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 approved 48 loans for \$521,439 thirty six (36) Workability loans have closed for \$438,239. An additional 3 loans for a total of \$66,000.00 were approved without guarantees and also without any cost to the program and two of these non-guaranteed loans closed for \$41,000.00. A total of 13 approved Workability Loans were refused by the applicants after approval.

Additional fiscal highlights include:

- 693 borrowers have now repaid a total of \$7,533,398
- 534 borrowers have paid their loans in full.
- The Workability Loan Program received notice that for the year 2010 the Maryland Workability Loan Program was the most successful Telework loan program nationwide.

There have been only 61 defaults since the inception of the program. Through vehicle repossessions, payment plans, and other recoveries via the Central Collections Unit, the program anticipates significantly reducing the amount of the actual losses. As of December 31, 2010 the ATLP has already recovered \$133,429 of a possible \$293,093 from the defaulted accounts.

Results for Borrowers

Borrowers have used loans to improve their lives substantially. The Program helps people with disabilities get jobs, start businesses, advance their education, get involved in their communities, communicate, and remain safely in or return to, their own homes instead of living in institutions.

Modified vehicles are the most frequently requested items financed through the loan program. People with disabilities are better able to start or continue employment, go to college, and/or move to more desirable homes. Parents living in rural areas have used lift-equipped vans to drive children with disabilities to Baltimore for essential medical services. Modified 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 communication options for people who previously lacked access to the Internet, and helped one teacher with cerebral palsy produce legible classroom notes.

Through program loans, individuals with disabilities have been able to make home modifications that allow greater access to their homes. Homes were made accessible with ramps, stair lifts, and room modifications improving personal safety.

One borrower used a workability loan in conjunction with existing equipment he had obtained through the Maryland Department of Education Division of Rehabilitation Services (DORS) to transform his business and adapt the equipment for his current disability needs. After nearly 30 years of working with the public, and retiring from his job at Safeway the individual began to consider "what's next?" Having been diagnosed with diabetic retinopathy, the applicant's vision was quickly deteriorating, yet he was anxious to continue working. He contacted DORS to explore his possibilities. "When I lost my vision, I threw up my hands and gave up. But DORS asked me what I would do if I went back into business and they got me back into work with assistive devices." Using assistive technology was just the first step for this individual, who decided to open his own disk jockey business in 2007.

The DJ Services has steadily gained business over the past three years, and it was this growth that helped this individual decided to pursue the purchase of more equipment. Having received a flyer in the mail about the Workability Loan Program, he contacted the program to request an application. Needing to purchase cases to transport the DJ equipment and an LED TV to hook-up to a laptop for screen magnification, he was excited about the prospect of getting the needed equipment to grow his business. Another Workability loan applicant used her loan to purchase two sets of modified stethoscopes to complete her certification as a home nurse. After the completion of her training, she will pursue self-employment as a home nurse.

Numerous older adults have used the assistive technology loan program to purchase computers to further their contact in the community and to develop their education via on-line courses and other training opportunities. Parents of children with physical disabilities have used program loans to purchase the modified vehicles needed to transport their growing children. The necessary adapted

The Assistive Technology Loan Program

equipment allows freedom of access and an improved opportunity to participate fully in their community.

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 purchased telecommunications devices and visual monitors for their homes. Scooters and wheelchairs improved borrowers' ability to venture out of their homes and into the 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.

Program Improvements

- Initially, the ATLP was required to set aside 100% of the guarantee resources in a secure and independent site to insure against loan defaults. Minimal interest was generated on these required deposits. Lenders now require no set aside for guaranteed loans. The ATLP still maintains a fund balance to protect against defaults.
- Interest on the loan fund supports enhanced staffing and other administrative expenses of the program to enhance sustainability.
- A streamlined process for application review by the loan program Board of Directors ensures that most loan guarantees can be made within 72 hours.
- Currently the program is able to guarantee loans of up to \$50,000 for a maximum of 96 months. The term of a \$50,000 loan can be extended to 120 months if it is secured with the equity from the borrower's home. Signature (unsecured) loans are available up to \$7,500 for 60 months.

Maryland as a National Leader

High loan volume, superior customer service and innovative partnerships have established the Maryland ATLP as a leader in assistive technology loans nationwide. ATLP staff members 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). NATTAP will provide technical assistance and training to entities funded under sections 4 and 5 of the Assistive Technology Act of 1998. ATLP staff is working with other states to improve the implementation of that Act and to provide technical assistance and training to entities not funded under that Act. This collaboration will improve knowledge about and access to assistive technology throughout the nation.

ATLP staff members were also chosen to work on behalf of the Rehabilitation Services Administration as independent program reviewers for the Assistive Technology and the Telework loan programs nationwide. Staff also made presentations at the 2010 annual meeting for the alternative finance programs and were called upon to lead a conference call on best practices for Telework loan programs. In 2010 the Maryland Workability Loan Program was cited by NATTAP as the most successful Telework loan program nationwide.