



February 9, 2012

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

Dear Governor O'Malley:

We are pleased to submit the enclosed 2011 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 other services that benefit Marylanders with disabilities.

Sincerely,

A handwritten signature in black ink 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**

February 9, 2012

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 kept in the Maryland Comptroller's account.

Approved Loans and Program Expenditures

As of December 31, 2011, the program has approved 707 loan guarantees and/or interest subsidies for loans declined by conventional lenders, 563 of which are now closed with area lenders. One hundred and forty (140) additional loan guarantees were approved but the loans were not finalized by the applicants. The total principal amount for approved loans was \$7,677,359, and 82 percent of these loans have already been issued through area lenders for a total of \$6,267,375.

An additional 166 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 127 of these loans. The total principal for these approved loans was \$3,716,452 and 75 percent of these loans have been issued by the State Employees Credit Union of Maryland for a total of \$2,783,442.

The WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative was launched in 2007 by the ATLP. The WorkABILITY loan program has approved 73 loans for \$952,140 fifty three (53) WorkABILITY loans have closed for \$804,751. An additional 5 loans for a total of \$108,300 were approved without guarantees and also without any cost to the program and three of these non-guaranteed loans closed for \$68,192. A total of 15 approved WorkABILITY Loans were withdrawn by the applicants after approval and did not close at the lenders. All of these loans represent individuals with disabilities who have overcome some barrier to employment and have either started or maintained their employment as a result of these loans.

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 was one of the fastest growing programs nationwide in 2011 and the Maryland WorkABILITY Loan Program staff were called upon to share this successful model for the telework initiative nationwide at a telework best practices seminar conducted at the University of California at Berkley training event. The Maryland WorkABILITY Loan Program has served as a model for many other state programs and all of these are built upon the principal of allowing individuals with disabilities to overcome barriers to employment in order to establish or maintain employment.

There have been only 73 loans that went into default since the inception of the program. Through vehicle repossessions, payment plans, and other recoveries via the State of Maryland Central Collections Unit-CCU, the ATLP program anticipates significantly reducing the amount of the actual loss of resources to the program. As of December 31, 2011 the ATLP has already recovered \$142,826 of a possible \$263,192 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs.

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 and allowing individuals with disabilities to stay in the home and avoid prolonged rehabilitation care.

Many of the borrowers have used the WorkABILITY loan in conjunction with existing equipment they have obtained through the Maryland State Department of Education Division of Rehabilitation Services-DORS to transform their businesses and adapt their equipment for their current disability needs.

One of our WorkABILITY Loan holders shared this story. 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

The Assistive Technology Loan Program

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 disc jockey business in 2007.

The DJ Services has steadily gained business over the past four years, and it was this growth that helped this individual decided to pursue the purchase of more equipment through the WorkABILITY loan program. 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 a new 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 his new computer to complete his college degree and has now graduated and is pursuing a Master's Degree and has now approached the WorkABILITY Loan Program in order to purchase a new lap top computer, he said "without the WorkABILITY Loans I could not have maintained my employment and also pursued my degree. The ability to have the equipment I need and the availability to complete my class work on my own computer from any location instead of driving into the computer lab of the university has allowed me to complete my degree, maintain my employment and succeed in my life goals, I am now pursuing a Master's Degree and I anticipate the use of this new equipment will once again allow me to succeed".

One individual with a newly diagnosed hearing disorder approached the WorkABILITY Loan Program about a loan to purchase a pair of hearing aids. The \$5,300.00 of unexpected expense was suddenly presented to this individual and she feared she would need to finance this purchase at 21% on her credit card, but having learned about the WorkABILITY Loan Program, she was able to purchase the hearing aids she needed at a low 3.00% interest rate, well within her budget as a monthly payment and now she is able to hear and understand her colleagues at work and anticipates staying on the job until she retires.

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 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 no longer require a 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 distribution and review by the loan program Board of Directors ensures that most loan guarantees can be made within 72 hours and some have been approved and actually closed at the lender within 24 hours.
- The ATLP and WorkABILITY Loan Program applications are in the process of being distributed through an online process in order to assure easy access to anyone who wants the application and to allow the application to be available to individuals with disabilities in a much quicker process.
- Currently the program is able to guarantee loans of up to \$50,000 for a maximum of 84 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 or unsecured loans are available for up to \$7,500 for 60 months at a rate far less than the usual double digit interest rate charged by most lenders.

Maryland as a National Leader

As a result of the high loan volume even in a tough economic climate, its superior customer service, and innovative partnership models the Maryland ATLP has emerged as a leader in assistive technology loan programs nationwide. The ATLP staff were invited to serve as members of the steering committee, as consultants, as federal auditors for program review, and as members of the annual planning subcommittee for the National Assistive Technology Technical Assistance Partnership- NATTAP Catalyst Program. NATTAP provides technical assistance and training to entities funded under sections 4 and 5 of the Assistive Technology Act of 1998. The ATLP works with other states to improve their implementation of their programs and also to provide technical assistance and training to entities not funded under the AT Act, this collaboration will continue to improve knowledge about and access to assistive technology throughout the nation and will continue to keep the Maryland ATLP program as a leader among alternative loan programs across the nation.

ATLP staff members were also chosen to work on behalf of the Rehabilitation Services Administration-RSA as independent program reviewers for the Assistive Technology and the Telework loan programs nationwide. Staff also made presentations at the 2011 annual meeting for the alternative finance programs and were called upon to lead a conference call on the best practices for Telework loan programs as a key presenter at the telework best practices seminar in California.

In 2011 the Maryland Workability Loan Program was used as a model for many telework initiatives to re-adapt their policy and procedures in order to make it possible to fund more individuals with disabilities and to allow these individuals to enter into and maintain opportunities of employment as a result of this re-modeling effort nationwide. The ATLP and WorkABILITY Loan Programs have worked with numerous other alternative finance programs and telework programs nationwide in order to allow other States to use and adapt the database that was designed and created by the

The Assistive Technology Loan Program

Maryland ATLP. Many other state programs now use this database to manage their daily loan activities. This co-operative effort has allowed multiple states to make modifications to their databases and keep them on the cutting edge of reporting, outreach, and customer satisfaction. As of December 31, 2011 at least 7 of the 16 national alternative finance programs have adopted the Maryland ATLP database resource used by the Maryland program and this partnership has built a common thread and a mutual challenge for continuous improvement throughout these programs and all programs nationwide.