

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

on the

**ASSISTIVE TECHNOLOGY
LOAN PROGRAM**

January 10, 2013

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, 2012, the program has approved 761 loan guarantees and/or interest subsidies for loans declined by conventional lenders, 603 of which are now closed with area lenders. One hundred and fifty six (156) additional loan guarantees were approved but the loans were not finalized by the applicants. The total principal amount for approved loans was \$8,197,305, and 79 percent of these loans have already been issued through area lenders for a total of \$6,642,834.

An additional 171 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 130 of these loans. The total principal for these approved loans was \$3,842,531 and 76 percent of these loans have been issued by the State Employees Credit Union of Maryland for a total of \$2,884,012.

The WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative, was launched in 2007 by the ATLP. Since inception, the WorkABILITY loan program has approved seventy nine loans for a total of \$1,017,551; fifty nine of these WorkABILITY loans have closed for a total of \$878,815. An additional five WorkABILITY loans were approved without guarantees (non-guaranteed) for a total of \$108,300 and also without any cost to the program. Three of these non-guaranteed loans were closed for a total of \$68,192. A total of eighteen 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:

- 604 borrowers have paid their loans in full.
- The WorkABILITY Loan Program was once again one of the fastest growing programs nationwide in 2012 and the Maryland WorkABILITY Loan Program staff will be called upon to share this successful model for the telework initiative nationwide at a telework best practices seminar that will be conducted later in March 2013.

There have only been 76 ATLP and WorkABILITY loans that have gone into default since the inception of the programs. 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, 2012 the ATLP has recovered \$150,493 of a possible \$361,309 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. When one of our lenders was asked to comment about the program he stated: ***“I was a nervous wreck the first time around. But then the office helped me, walked me through the process, and put me at ease. Really, this program has been a Godsend.”*** This applicant was able to purchase a new and dependable vehicle for ongoing daily transport and has successfully maintained his employment and continues to advance in his field.

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 Program in conjunction with existing equipment and/or services they have obtained through the Maryland Department of Education Division of Rehabilitation Services (DORS) to transform their businesses and adapt their equipment for their current disability needs.

The Assistive Technology Loan Program

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 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. When this client was asked to comment on his experience with our program he stated: ***Some places you go to, you get to the first step and you say 'never mind.' But the loan program process was quick, rapid, easily handled. Wow, that was over and done with so quickly. And it's helped me to reestablish credit. So much of this has enabled me to get back to work and get back into working with the public"***

Another WorkABILITY loan applicant used his new computer to complete his college degree and is now pursuing a Master's Degree. He has recently approached the WorkABILITY Loan Program to purchase a laptop computer, "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 to 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 unexpected expense was suddenly presented to this individual and she feared she would need to finance the hearing aids 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 significantly lower 3.00% interest rate. The loan payment is well within her budget 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 stay connected with their community and families, and in some instances, continue their education online. Parents of children with physical disabilities have used program loans to purchase 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 have improved many borrowers' abilities to venture out of their homes and into the community. 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. One individual who faced a life with hearing loss stated: ***"Getting the amplified stethoscope was critical to me making my decision about staying in the nursing program. I applied for a loan on the chance they'd feel it would be important to help me so I could pursue a career and my dream of being a nurse. The low interest rate they secured for me was the bonus."***

Program Improvements

- Initially, the ATLP was required to set aside 100% of the guarantee resources in a secure and independent account to ensure 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 now available for distribution 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 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 is currently serving 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 for alternative finance programs. 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 financing 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 Telework loan programs nationwide. Staff also made presentations at the 2012 annual meeting for the alternative finance programs and are scheduled to once again lead a conference in March 2013.

In 2012 the Maryland Workability Loan Program was once again 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 Assistive Technology Loan Program

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 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, 2012 at least 7 of the 16 national alternative finance programs have adopted the Maryland-designed ATLP database, and this partnership has built a common thread and a mutual challenge for continuous improvement throughout these programs and all programs nationwide. Additionally, another two programs are currently evaluating this program to see if they can adapt what Maryland does to assist with their ongoing programs.