

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

on the

ASSISTIVE TECHNOLOGY
LOAN PROGRAM

Introduction

The Assistive Technology Loan Program (ATLP) was created on October 1, 1999. It is codified at Human Services Article Sections 7-601 through §7-616. The program's purpose is to provide financial 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. ATLP partners with area lenders to provide loans for assistive technology to borrowers who have encountered obstacles qualifying in the traditional market. Participating lenders issue loans while the program provides loan guarantees and interest subsidies that make loans more accessible and affordable for people with disabilities and their families. Program staff members provide significant support to all applicants and credit counseling to those who require it.

ATLP is a program of the Maryland Technology Assistance Program (MDTAP), a unit within the Maryland Department of Disabilities (MDOD). The loan program is guided by an eleven-member board of directors including eight individuals appointed by the Governor and three state agency representatives. The ATLP pays for program administrative costs through interest earnings from the loan fund kept in the Maryland Comptroller's account.

Approved Loans and Program Expenditures

From its inception through December 31, 2013, the program has approved 855 loan guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 838 of these loans. The total principal amount for approved loans was \$11,520,192. Additionally, the program approved 471 loan guarantees, but these loans were not finalized by the applicants. Since 1999, the ATLP received 1,973 total applications.

An additional 140 loans were approved without a guarantee and or any cost to the program or partnering lender. However, borrowers received discounted interest rates from our participating lenders through a cooperative agreement with the ATLP. The State Employees Credit Union of Maryland (SECU) has already funded 138 of these loans. The total principal for these approved loans was \$3,139,509 and 76 percent of these loans have been issued by SECU 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. This program has approved 75 loans with a principal amount of \$1,137,966. Seventy WorkABILITY loans have closed for \$1,084,902. An additional 5 loans, for a total of \$148,360, were approved without guarantees (non-guaranteed) and without any cost to the program. At present, these non-guaranteed loans closed for \$133,252. Thirty-one approved WorkABILITY Loans were withdrawn by the applicants after approval. Each of these loans represents individuals with disabilities who have overcome some barrier to employment and have either started or maintained employment as a result of the loan.

Additional program highlights include:

- 676 borrowers have paid their loans in full.
- Total number of repayments made by borrowers for guaranteed ATLP and Workability loans is \$6,651,929.30.
- The WorkABILITY Loan Program continues to maintain rapid growth when compared to other programs nationwide. Maryland WorkABILITY Loan Program staff members were invited to share this successful model for the telework initiative nationwide at a best practices seminar in March 2013.

There have been only 92 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 to the program. As of December 31, 2013, the ATLP has already recovered \$167,201.33 of a possible \$444,736.90 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The default rate since the inception of the ATLP is a low 3.16%.

Results for Borrowers

Borrowers have used loans to improve their lives substantially. The Program helps people purchase technology that supports access to jobs, business startup costs, educational expenses, community access, communication, and remaining safely in or returning to the community instead of institutional settings.

Transportation

Modified vehicles are the most frequently requested items financed through the loan program. With reliable, accessible transportation, people with disabilities are better able to access employment, go to college, and/or move to more desirable homes. For example, parents living in rural areas have used lift-equipped vans to drive children with disabilities to Baltimore for needed services and supports. Modified vehicles also open numerous social, recreational, and spiritual opportunities for ATLP borrowers.

Assistive Technology

Computers and similar electronic devices are also commonly purchased items among ATLP borrowers. These assistive technology devices have 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 enhanced employment in one instance by helping a teacher with cerebral palsy produce legible classroom notes.

Accessibility Modifications

Through program loans, individuals with disabilities have been able to make modifications that allow greater access for their homes. Homes were made accessible with ramps, stair lifts, and room modifications improving personal safety and allowing individuals with disabilities to stay in their homes and avoid prolonged rehabilitation or institutional care.

Recently, one Maryland family using the ATLP shared their story with staff. When “Andrew” was born 13 years ago, it became immediately clear that something was different. Shortly after birth, he was diagnosed with multiple brain bleeds due to unknown causes. Since then, he’s been diagnosed with multiple disabilities, leaving him to experience daily seizures, have low vision and use a wheelchair.

A few months ago, when the family decided to modify the bathroom to make it more accessible, the family decided to look into various resources. All sources said it was difficult to obtain funding for this type of project until they heard about the ATLP through a friend who works at for a provider agency in Frederick County. The family decided to apply for a home equity loan to fully remodel their son’s bathroom to include an updated whirlpool tub, easy-entry shower stall, and widened doorways. With renovations recently completed, the new layout offers him a safe and easier bathing experience while reduces physical strain on his parents.

Employment and Higher Education

Many ATLP borrowers have used the WorkABILITY loan in conjunction with existing equipment obtained through the Maryland State Department of Education Division of Rehabilitation Services (DORS). Borrowers have successfully transformed their businesses and adapted equipment for their current disability needs.

Workability Loan Program staff received an application from Ms. F. As a child, she underwent surgery that left her with significant hearing loss. She applied for and was approved for a loan for hearing aids through the Workability Loan Program. Ms. F is now better able to perform her job duties.

Another WorkABILITY loan applicant purchased a new laptop computer to help support him in his Master’s degree program, allowing him to maintain his employment and complete his degree. Numerous older adults have used the assistive technology loan program to purchase computers to further their access to the community and to develop their education via on-line courses and training. One nursing student utilized the WorkABILITY loan program to purchase an amplified stethoscope that enabled her to stay on course in her nursing program.

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 review ensures that loan applications are reviewed by the Board once a week. This process allows applicants to receive program decisions within one to two weeks of applying.
- The ATLP and WorkABILITY Loan Program applications are now available for distribution through an online request form in order to ensure 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 on a national 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 by the Assistive Technology Act of 1998. The ATLP works with other states to improve 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 place 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.

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. As of December 31, 2013 at least 7 of the 16 national alternative finance programs utilize the Maryland ATLP database.

This partnership has built a common thread and a mutual challenge for continuous improvement throughout these programs and all programs nationwide. Two additional programs are evaluating the database to see if it to assist with their programs also.