

George P. Failla, Jr., Acting Secretary
John Brennan, Chief of Staff



Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor

December 29, 2014

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

Dear Governor O'Malley:

The Maryland Technology Assistance Program is pleased to submit the enclosed 2014 Annual Report on the Assistive Technology Loan Program required by Human Services Article §7-616 (MSAR #6074). We are proud of the positive impact this program has had on the quality of life of those supported with loan guarantees in the thirteen years since the loan program was first implemented.

Thank you for your steadfast commitment to this essential program and to other services that benefit Marylanders with disabilities.

Sincerely,

A handwritten signature in blue ink that reads "George P. Failla, Jr." with a stylized flourish at the end.

George P. Failla, Jr.
Acting Secretary

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 §§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 for financing in the traditional market. Participating lenders issue loans while the program provides loan guarantees and interest subsidies, where appropriate, 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 (MD TAP), 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 distinct loan fund kept in the Maryland Comptroller's account.

Approved Loans and Program Expenditures

From its inception through December 31, 2014, the program has approved 901 loan guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 883 of these loans. The total principal amount for approved loans was \$12,252,368. Additionally, the program approved 492 loan guarantees, but these loans were not ultimately finalized by the applicants. Since 1999, the ATLP received 2,077 total applications. The Program provided 5,694 loan applications to potential borrowers.

An additional 147 loans were approved without a guarantee and or any cost to the program or partnering lender. The total principal amount for these approved loans was \$3,379,509. These 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 139 of these loans. The total principal amount for these closed loans was \$3,125,901.

The ATLP launched the WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative in 2007. This program has approved 88 loans with a principal amount of \$1,260,950. 86 WorkABILITY loans have closed for \$1,194,842. Seven of these loans, for a total of \$208,360, were approved without guarantees and without any cost to the program. At present, these non-guaranteed loans closed for \$143,252. One approved WorkABILITY Loan was withdrawn by the applicant after approval. These figures do not include any loans that may have been declined or incomplete. 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:

- 717 borrowers have paid their loans in full.
- Total amount of repayments made by borrowers for guaranteed ATLP and WorkABILITY loans is \$7,189,410.35.

There have been only 106 loans to go 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 significantly reduces the amount of actual loss to the Program. As of December 31, 2014, the ATLP has recovered \$179,476.71 of a possible \$536,124.36 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The default rate since the inception of the ATLP is a low 2.99%.

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, gain independence, and/or move to more desirable homes. Recently, one Maryland family purchased a Bruno Valet Plus mobility seat for their vehicle to transport their mother who has advanced dementia. Installing this mobility seat enabled their mother to enter and exit their vehicle with ease, gaining independence. Modified vehicles also open numerous social, recreational, and spiritual opportunities for ATLP borrowers.

Assistive Technology

Recreation, sports, and leisure equipment are also popular items to purchase among ATLP borrowers. Assistive technology equipment enables Marylanders with disabilities to overcome barriers, regaining their independence. Recently, one Marylander with quadriplegia purchased a Ripchair, an off-road machine fabrication designed for the operator to rollup, lock-in and be on his way without the aid of others, while enjoying off-road recreation.

Accessibility Modifications

Through program loans, individuals with disabilities have made modifications that allow greater access to their homes. Ramps, stair lifts, and room modifications have been installed in homes

making them more accessible, improving personal safety and allowing individuals with disabilities to stay in their homes and avoid prolonged rehabilitation or institutional care.

Recently, a family living in La Plata obtained a loan from the ATLP to modify their home to ADA specifications with accessible design. The wife has relapsing-remitting multiple sclerosis, which leads to a lack of mobility due to weakness on the left side of her body. Excess fatigue makes walking up and down the stairs difficult and dangerous. Adding a bathroom on the main level and widening the doors helped to aid in navigating their multi-level home.

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 Mr. R applying for a loan to finance the costs of repairs and updates to his vehicle's existing modification package. Mr. R has a C4-C5 spinal injury and uses his vehicle daily to support his employment. The repairs and updates allowed him a more reliable commute and a better functioning modification package without having to replace the vehicle.

Another WorkABILITY loan applicant with a mental illness obtained a loan to finance the costs of vehicle repairs. The repairs allowed her a more reliable commute.

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 amount 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 improve 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 submitting an application.
- 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, for qualified applicants, of up to \$50,000 for a maximum of 84 months for adapted vehicles. 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 qualified applicants 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 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 it will continue to place the Maryland ATLP program as a leader among alternative loan programs across the nation.

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 will assist with their programs as well.