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**ANNUAL REPORT TO**

**GOVERNOR LARRY HOGAN**

**AND**

**THE MARYLAND GENERAL ASSEMBLY**

**on the**

**ASSISTIVE TECHNOLOGY**

**LOAN PROGRAM**

**January 1, 2016**

## **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 help individuals with disabilities achieve independence and improve their 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, 2015, the program has approved 929 loan guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 913 of these loans. The total principal amount for approved loans was \$12,931,209. Additionally, the program approved 519 loan guarantees, but these loans were not ultimately finalized by the applicants. Since 1999, the ATLP provided 5,930 loan applications to potential borrowers and received 2,169 total applications.

An additional 152 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 \$3,627,009. 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 140 of these loans. The total principal amount for these closed loans was \$3,155,901. The ATLP launched the WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative in 2007. This program has approved 92 loans with a principal amount of \$1,387,105.

Eighty-nine WorkABILITY loans have closed for \$1,261,997. Eight of these loans, for a total of \$258,360, 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:

- 760 borrowers have paid their loans in full.

- Total amount of repayments made by borrowers for guaranteed ATLP and WorkABILITY loans is \$7,764,025.30.

There have been only 114 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 \$226,899.77 of a possible \$493,548.17 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The default rate since the inception of the ATLP is a low 3.08%.

### **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, the mother of a family had gone through years of mini-strokes. After multiple mini-strokes, she had a more major one approximately 14 months ago. Time in a nursing home/ rehab facility finally prepared her to return home, but due to the effects of the stroke, she was left with weakness on one side of her body. She and her husband were able to use funds from our program to purchase an adapted van for better transportation and mobility. 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. Often, there is a lack of available accessible homes for individuals with disabilities. One of our applicants, who was born with complete lower paralysis, came face-to-face with this reality during her home search. In her own words, making her home accessible "...was crucial because I

live alone and do not have any outside care or family [in the area...]" Although she was unable to access any equity in her brand new home with a traditional lender, with our program, she was able to get a loan to completely outfit her home in ways that met her unique needs, including side-opening cabinets and oven.

Many times, examples of AT may be outside what we generally imagine or envision. One previous applicant with Becker Muscular Dystrophy had been experiencing worsening symptoms, such as scoliosis, cardiomyopathy, increased weight, and worsening muscle function. With funds from our program, he was able to apply for a loan to finance modifications to his bathroom, along with a medically prescribed adjustable bed to maintain his independence.

### *Employment and Higher Education*

Many ATLP borrowers get word of the WorkABILITY loan from referrals or outreach from neighboring programs. Borrowers have successfully transformed their businesses and adapted equipment for their current disability needs.

One Marylander recently met with, and was subsequently referred to our program via our Assistive Technology Specialist. This gentleman is a retired Art History professor who still does research and continues to do lectures on a part-time basis. With the nature of his disability (low vision) and his continued passion in his field, he was able to apply for and use program loan funds for a computer and special software to continue doing what he loves.

Our program also received a request from an applicant who had utilized our program with success in the past. He is an individual with a spinal cord injury, and he was looking to purchase a modified vehicle to go to and from work. Through our program, he was able to purchase a modified vehicle completely outfitted to meet his driving needs.

### **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 \$60,000 for a maximum of 120 months for adapted vehicles. Home modification loans 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 \$5,000 for

general assistive technology and up to \$10,000 for home modifications 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. Staff also made a presentation at the 2015 annual meeting for the alternative finance programs. 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. Two additional programs are evaluating the database to see if it will assist with their programs. This partnership has built a common thread and a mutual challenge for continuous improvement throughout these programs and all programs nationwide.