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ANNUAL REPORT TO

GOVERNOR LARRY HOGAN

AND

THE MARYLAND GENERAL ASSEMBLY

on the

ASSISTIVE TECHNOLOGY

LOAN PROGRAM

January 1, 2017

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 offer 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 a separate account managed by the State Treasurer Maryland Comptroller's account.

Approved Loans and Program Expenditures

From its inception through November 30, 2016, the program has approved 1,280 loans, with 1081 approved through Assistive Technology Loan Program guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 950 of these loans, with 810 closed with Assistive Technology Loan Program guarantees and/or interest subsidies. The total principal amount for approved loans was \$13,131,200. Additionally, the program approved 500 loan guarantees, but these loans were not ultimately finalized by the applicants. Since 1999, the ATLP provided 6,197 loan applications to potential borrowers and received 2,278 total applications.

An additional 199 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 \$4,803,256. 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 \$3,179,011. The ATLP launched the WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative in 2007. This program has approved 128 loans with a principal amount of \$1,564,113.

Ninety-One WorkABILITY loans have closed for \$1,208,330. Nine of these loans, for a total of \$283,360, 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:

- 798 borrowers have paid their loans in full
- Total amount of repayments made by borrowers for guaranteed ATLP and WorkABILITY loans is \$8,222,236.17.

There have been only 116 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, 2016, the ATLP has recovered \$235,752.23 of a possible \$498,350.50 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The default rate since the inception of the ATLP is a low 2.83%.

Results for Borrowers

Borrowers have used loans to improve their lives substantially. The Program helps people purchase technology that supports access to jobs, items and devices to start businesses, educational expenses, community access, and communication. These purchases also include technology that helps borrowers and their families to remain safely in the community or to leave institutional settings when they choose to.

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. A father recently applied for a modified vehicle loan in order to better transport his son around town, to and from doctor's visits, and to family functions. Their previous van was on its last leg. The loan was approved, and the family was able to take their son to a family reunion several states away. In an email to the program, the father had this to say: "Thank you so, so much for helping this dream come true. You have given [our son] a new world...Thank you again."

Another applicant needed a vehicle for both her son and daughter, who have cerebral palsy. This van was desperately needed, as their mother was in great danger of hurting herself and her children by attempting to lift them into their existing vehicle by herself. She was able to apply and be approved for a lift that the children could maneuver themselves onto for entry into the van. It was amazing to receive a picture of their smiling faces and an email directly from the son, saying: "I would like to thank everyone that helped [me] to get our new van. Here is a picture of my sister and I. Thank you for making our life [easier]. Thank you again."

Modified vehicles also open numerous social, recreational, and spiritual opportunities for ATLP borrowers.

Assistive Technology

Many of our applicants need assistive technology devices and equipment in order to make daily living easier. Occasionally, these items are not covered by insurance and are cost prohibitive. One such applicant needed hearing aids, glasses, and an oxygen compressor. She was able to apply for a loan with our program for these items and purchase them, while staying within budget on her fixed income.

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, whose son was born with cerebral palsy wanted to make sure he could fully navigate in his wheelchair through the house with as much ease as possible. After making several modifications to their home, and still seeing their 13-year-old son struggle, the family had the idea that an elevator would complete the vision. They were able to obtain a loan for the elevator, and their teen son is gaining valuable independence, while learning to move past barriers.

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 of our WorkABILITY loan applicants made a request to purchase Pulsed Electromagnetic Field therapy (PEMF) equipment. She was approved by our Board of Directors, and she used the PEMF machine to expand her current business as an alternative holistic therapy modality for various types of arthritis and sports injuries. She projected that this equipment would help increase her client base and improve her monthly revenue.

Some applicants under the WorkABILITY portion of our program need equipment and devices to maintain or continue their employment. One of our applicants had profound hearing loss, and in order to remain working, she needed new sound processors for her cochlear implants. Her current processors had become obsolete and were no longer supported by the manufacturer. She was approved for a loan through our program, and was able to purchase the new sound processors and continue working without a break in employment.

Sometimes, examples of AT may be outside what we generally imagine or envision. Our applicants, their families, and our Board of Directors prove on a daily basis that nothing is impossible and that their goals and dreams can be just within their reach with some creative thinking. Higher education is a goal for many people, and having a disability whether physical, emotional, or learning should not dampen that goal. The son of an applicant had Asperger's Syndrome and Autism Spectrum Disorder. He was beginning to fall behind in his classes, and those classes were increasing to a level where his mother was having great difficulty being both teacher and parent. We presented a loan request to our Board of Directors for a tutor during the

school year. This helped provide dedicated time and attention for her son's studies and allowed him to further his education.

Program Improvements

- Interest on the loan fund supports enhanced staffing and other administrative expenses of the program to improve sustainability.
- 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 they are 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 and stand-alone vehicle modifications (new for 2016) for 60 months at a rate far less than the usual double-digit interest rate charged by most lenders.
- Within this past year, the Program has re-doubled its efforts to partner with adapted vehicle vendors by streamlining and expediting loan requests coming directly from modified vehicle dealerships/ vendors.
- The Program has increased marketing efforts, which resulted in the doubling of loan volume prior to December 31, 2016.
- Legislation was passed that saw the removal of the previous requirement that one of the Governor-appointed ATLP Board of Directors members also be a member of the MD Commission on Disabilities.
- Legislation was also passed, which created a schedule for staggering the terms of the Governor-appointed Board of Directors members.
- The Assistive Technology Loan Program established a new partnership with GreenPath Financial Wellness. Through this partnership, GreenPath will offer ATLP applicants free financial counseling, which includes formulating budgets, improving credit, and establishing savings goals/ plans.

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, most recently Washington, DC and California, to improve implementation of their 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.

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. Most recently, Washington, DC and California were awarded an Alternative Financing Program (AFP) grant to begin similar operations for their own residents. Hearing that Maryland's Assistive Technology Loan Program is a defined national leader, both the Assistive Technology Program for the District of Columbia and California's Freedom Tech AFP staff reached out for guidance and

advice in getting their own programs off the ground. Maryland's ATLP staff provided copies of our own policies and procedures and exchanged phone calls and emails, giving information on various points of our program's operation as a guide to DC and CA. We continue to be a resource and sounding board to CA's Freedom Tech and Washington DC's AFP programs going into the New Year.

MD ATLP Goals for 2017

- The Program will strive to double marketing efforts to include program reminder letters, GreenPath Financial Wellness awareness, and thank-you letters for applicants who have paid their loans in full in order to further increase loan volume.
- The Program will continue to collaborate with other disability service providers/ agencies in order to increase awareness and loan application volume.
- ATLP staff will schedule at least three adapted dealership site visits in order to see what types of inventory are available and to increase awareness of our program.
- The Program will continue raising awareness of financial wellness through its partnership with GreenPath Financial Wellness.
- The program will begin providing all borrowers who indicate any disability benefits as a part of claimed income contact information to seek guidance about the collection of benefits received and encourage borrowers to reach out to these programs for support.

The assistive technology loan program remains a smart, compassionate investment of state, federal and private funds carefully managed to achieve our mission. The availability of financing is a critical component to support individuals with disabilities to achieve maximum participation in the community in the most integrated setting possible. This program continues to change Maryland for the better, enhancing the lives of Marylanders with disabilities and their families by offering low-interest loans to buy equipment supporting their efforts to live, work, and learn more independently.