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**ANNUAL REPORT TO**

**GOVERNOR LARRY HOGAN**

**AND**

**THE MARYLAND GENERAL ASSEMBLY**

**on the**

**ASSISTIVE TECHNOLOGY**

**LOAN PROGRAM**

**January 1, 2018**

## **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, to 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). This program is guided by an eleven-member board of directors, including eight governor-appointed individuals 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 December 8, 2017, the program has approved 1,389 loans, with 1,175 approved through Assistive Technology Loan Program guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 1,041 of these loans, with 889 closed with Assistive Technology Loan Program guarantees and/or interest subsidies, and 152 were closed without guarantees and without any cost to the program. The total principal amount for approved loans was \$15,682,644. Additionally, the program approved 521 loan guarantees, but these loans were not ultimately finalized by the applicants. Since 1999, the ATLP provided 6,501 loan applications to potential borrowers and received 2,433 total applications.

An additional 214 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 \$5,222,119. 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 152 of these loans. The total principal amount for these closed loans was \$3,572,023. The ATLP launched the WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative in 2007. This program has approved 141 loans with a principal amount of \$1,868,027.

One hundred and two WorkABILITY loans have closed for \$1,418,307. Twelve of these loans, for a total of \$358,169, were approved without guarantees and without any cost to the program. At present, these non-guaranteed loans closed for \$196,061. Four approved WorkABILITY Loans were withdrawn by the applicant after approval, and seven were closed without guarantees and without any cost to the program. These figures do not include any loans that may have been declined or incomplete. Each of these loans represents an individual with disabilities who has overcome some barrier to employment and has either started or maintained employment as a result of the loan.

Additional program highlights include:

- 844 borrowers have paid their loans in full
- Total amount of repayments made by borrowers for guaranteed ATLP and WorkABILITY loans is \$8,981,570.44.

There have been only 119 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 8, 2017, the ATLP has recovered \$246,854.16 of a possible \$511,643.20 from the defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The default rate since the inception of the ATLP is a low 2.41%.

### **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. While we do outright vehicle loans for adapted and non-adapted vehicles, another vehicle-related request we can fulfill is a re-finance or a re-write through the lender. There are times when hospital visits and medical bills become overwhelming for anyone, and this often is the case for those dealing with a disability.

Quite recently, one of our existing borrowers informed us that they were having a hardship with their daughter being in and out of the hospital and that it was affecting their ability to make on-time payments. After discussing their situation with the lender, we were able to negotiate a re-write of their loan, thereby reducing their monthly payment. The family avoided losing the vehicle, saved money with a lower monthly payment, and the program avoided a potential loss from a write-off.

Our program takes pride when friends, coworkers, and family members recommend us. Nothing beats someone putting in a good word about our program, resulting in our opportunity to serve another Marylander through this program. In one case, we had a father apply for a loan, a mother apply for a loan, and a son apply for a loan, all from the same family within a 15 month time frame. The son was a college student, who was managing his classes, however, his mother was stretched thin making sure he got to those classes. The family decided the time had come for him to apply for his own vehicle, and through our program, he could do just that. He financed the

vehicle, achieving a larger measure of independence and easing the stress on his mother. 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. We are also able to allow parents to take advantage of the loan program to finance items for their young children with disabilities, who are just getting started in navigating school or are beginning to build their own self-confidence and self-awareness. One set of parents used our program to purchase a desktop magnification system for their young son. He is legally blind, and they found this device could help with his productivity, magnification when playing with blocks, and in seeing finer details of smaller items. The family and child were able to greatly benefit from this assistive technology.

With today's technology, there are many devices available to assist those with disabilities make their own way around town without the need for another person's help. One such device is the Victor Reader Trek. With this device, one of our low-vision applicants improved her ability to navigate independently. The device gives her the current nearest address, cardinal direction she is traveling, and a description of the next intersection she will encounter, just to name a few examples. Our applicant was extremely excited to further her independence with this device.

### *Accessibility Modifications*

Through program loans, individuals with disabilities have made modifications that allow greater access to their homes. Elevators, stair lifts, and room modifications have been provided to make homes more accessible, improve personal safety, and allow individuals with disabilities to stay in their homes, reducing prolonged institutional care.

Often, there is a lack of accessible homes for individuals with disabilities. One of our applicants, who financed an elevator through our program approximately seventeen years ago, recently found herself in need of elevator repairs. As a prior applicant, she could utilize our program again to finance those repairs, thereby maintaining the accessibility and independence she established.

### *Employment and Higher Education*

Many ATLP borrowers get word of the WorkABILITY loan from referrals or outreach from area programs, agencies, and vendors. This year, our program staff doubled our outreach and marketing activities. These efforts have yielded great results.

One feature of our program is the ability of family members to take a loan on behalf of a family member. One of this year's examples comes from a brother and sister. She was a nursing student at the time, working to graduate in a very valuable and much-needed field. As a student, she was unable to afford hearing aids. Due to our targeting audiologists' offices, the family heard about our program. This outreach prompted her brother to take out a loan for the hearing aids on behalf of his sister so that she could continue her studies and work in the nursing field.

Some applicants under the WorkABILITY portion of our program need equipment and devices to maintain or continue their employment. One applicant maintained a lawn business, for which he needed new equipment to expand the business and increase his income. With a loan from our program, he priced and purchased the equipment. He already had a reputation as an outstanding worker in his community, the store selling the equipment was happy to further solidify their partnership, and with help from our program, the applicant can now maintain his successful business.

As mentioned earlier, program staff increased outreach and marketing efforts, yielding great results, especially in the area of hearing aids. Hearing aids can be cost-prohibitive and not always covered by insurance. One of our many hearing aid applicants is a special education teacher. Her own hearing aids were 18 years old, falling apart, and no longer qualified for replacement parts. The program financed the cost of her hearing aids so she could continue to provide the critical assistance the children in her need.

### **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 of up to \$60,000 for qualified applicants for a maximum of 120 months for adapted vehicles. Home modification loans can be extended to 60 months. Unsecured loans for up to \$5,000 are available for qualified applicants for general assistive technology and up to \$10,000 for home modifications and stand-alone vehicle modifications (new for 2017) for 60 months at a rate far less than the usual double-digit interest rate charged by most lenders. (Applicants meeting certain credit-based criteria may be able to qualify for up to \$20,000 on a case-by-case basis.)
- Within this past year, the Program has enhanced 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, 2017, and established a new partnership with Miracle Ear, Beltone hearing, and two additional private hearing aid centers.
- The Assistive Technology Loan Program established a new partnership with GreenPath Financial Wellness in 2016. GreenPath is a leading non-profit financial counseling organization, specializing in improving credit, establishing savings, creating a budget, and reducing debt to achieve financial goals. Through this partnership, GreenPath serviced 3 callers providing 14 account actions/services, 2 credit discussions and 2 budget and debt discussions.
- The Assistive Technology Loan Program remains in negotiation with a developer in order to replace our current database with an updated model. After visiting the Pennsylvania Assistive Technology Loan Program and seeing their database, the ATLP reached out to their developer to develop options for our program. We believe this new database will provide more accurate and more detailed reporting measures, a more streamlined application process, and an even better customer service experience through our program. We hope to move forward during the first quarter of 2018.

## **Maryland as a National Leader**

Through a challenging economic climate and as a result of the volume of its loans, its superior customer service, and innovative partnership models, the Maryland ATLP continues to be a leader among assistive technology financial loan programs nationwide. The ATLP works with other states, most recently Washington, DC, 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.

When Washington, DC was awarded an Alternative Financing Program (AFP) grant to begin similar operations for their own residents, and upon hearing that Maryland's Assistive Technology Loan Program is a defined national leader, the staff for the Assistive Technology Program of District of Columbia reached out for guidance and advice in getting their own program off the ground. Maryland's ATLP staff provided copies of our own policies and procedures, exchanged phone calls and emails, gave information on various points of our program's operation, and provided templates of database-generated applicant letters and those related to marketing as a guide to DC. We continue to be a resource and sounding board to Washington DC's AFP programs going into the New Year.

## **MD ATLP Goals for 2018**

- The Program will continue to 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.
- The Program will continue providing contact information to all borrowers who indicate any disability benefits as a part of claimed income so they may seek guidance about the collection of benefits received and encourage borrowers to reach out to these programs for support.
- The Program will continue to strive to double outreach efforts to hearing aid centers and other disability vendors, including Maryland Access Point, Department of Aging, and the Department of Social Services to market our program for obtaining ramps and home modifications.
- The program must consider, within the next few years, means available to it to replenish the fund which could include financial assistance from other sources including private foundations and federal grants.

Maryland's 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 and to enhance 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.