

Carol A. Beatty, Secretary
Christian Miele, Deputy Secretary



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

February 14, 2019

The Honorable Thomas V. Mike Miller.,
President of the Senate
State House
100 State Circle
Annapolis, Maryland 21401

Dear President Miller,

The Maryland Department of Disabilities is pleased to submit the enclosed annual report on the Assistive Technology Loan Program for calendar year 2018, required under 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 nineteen years since the program was first implemented.

Thank you for your steadfast commitment to this essential program and to other services that benefit Maryland residents with disabilities and their families.

Sincerely,

A handwritten signature in black ink, appearing to read "James McCarthy".

James McCarthy
Executive Director,
Maryland Department of Disabilities, Technology Assistance Program

Enclosure

cc: Tiffany Robinson, Deputy Chief of Staff, Office of the Governor

Carol A. Beatty, Secretary
Christian Miele, Deputy Secretary



Larry Hogan, Governor
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February 14, 2019

The Honorable Michael E. Busch.,
Speaker of the House
State House
100 State Circle
Annapolis, Maryland 21401

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**ANNUAL REPORT TO
GOVERNOR LARRY HOGAN
AND
THE MARYLAND GENERAL ASSEMBLY**

on the

**ASSISTIVE TECHNOLOGY
LOAN PROGRAM**

217 EAST REDWOOD STREET, SUITE 1300, BALTIMORE, MARYLAND 21202
VOICE/TTY 410-767-3660 **VOICE/TTY** 1-800-637-4113 **FAX** 410-333-6674 **EMAIL** info.mdod@maryland.gov

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. This program makes a low interest, affordable loan product available to qualifying individuals, who do not receive sufficient subsidies from the government, insurance or other possible sources. Without the products of the ATLP, its borrowers often must either purchase the assistive technologies they need using high interest credit cards, or not purchase these needed items at all. The program 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 with fund accounting provided by the Comptroller.

Approved Loans and Program Expenditures

From inception through December 6, 2018, the program has approved 1,496 loans, with 1,263 approved through Assistive Technology Loan Program guarantees and/or interest subsidies for loans by conventional lenders. Area lenders have closed on 1,112 of these loans, with 948 closed with Assistive Technology Loan Program guarantees and/or interest subsidies, and 164 closed without guarantees and without any cost to the program. The total principal amount for approved loans since program inauguration was \$17,914,982. The program reviewed, processed, and approved an additional 542 loan guarantees that ultimately did not go to closing with the lender. When applicants choose not to close their loans, it's typically for a variety of reasons including securing the needed funding outside of the loan, deciding not to purchase the items they were approved for, or determining that a financial loan is not the ideal financial option at that time. Regardless, these are loans that program staff has invested time in processing and which the board has reviewed and determined viable. Since 1999, the ATLP provided 6,788 loan applications to potential borrowers and received 2,591 total applications.

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.)

To date an additional 233 loans were approved without a guarantee and/or any monetary cost to the program or partnering lender. The total principal amount for these approved loans was \$5,765,496. 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 164 of these loans. The total principal amount for these closed loans was \$3,975,782. Collectively, since 1999, for guaranteed and non-guaranteed loans this program has approved 149 loans with a principal amount of \$2,114,887.

The ATLP launched the WorkABILITY Loan Program, a Telework and Self-Employment Loan initiative in 2007. Loans through this program are for the purchase of employment-related equipment that would not necessarily fall within the definition of “assistive technology.”

Since the 2007 launch, One hundred and two WorkABILITY loans have closed for \$1,418,307. Eleven 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. Every WorkABILITY loan represents an individual with disabilities who has overcome some barrier to employment and has either started or maintained employment as a result of a loan received from our program.

The program was created as a part of a federal initiative of the United States Department of Education and contained several variations to applicable rules for our standard loans. ATLP programs around the nation found it difficult to qualify borrowers for these loans and the federal government no longer seeks information about this collection within our portfolio. As a result, we no longer make loans under this program but borrowers with open loans funded under this program will continue to make their payments and the program obligation to guarantee those loans as applicable remains. Borrowers who seek to purchase assistive technology to support current or future employment endeavors can continue to apply for funding through the ATLP.

Additional program highlights include:

- Received payment in full from 873 borrowers.
- Closed 36 adapted vehicle loans in 2018 with an original loan balance of 1.7M.
- Received 10 hearing aid loan requests in 2018 totaling \$33,555.
- Since inception, the total amount of repayments made by borrowers for guaranteed ATLP and WorkABILITY loans is \$9,789,972.01.

Only 126 loans have gone 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 reduces the amount which otherwise would be lost by the Program. As of December 6, 2018, the ATLP has recovered \$238,935.85 of a possible \$570,659.63 from defaulted accounts issued by the ATLP and WorkABILITY Loan programs. The overall default rate since the inception of the ATLP is a low 2.48%.

Results for Borrowers

Borrowers have used loans to improve their lives substantially. The Program helps Marylanders purchase technology that supports or increases access to jobs, education, and their communities. These purchases can include technology to help them and their families remain independent in the community or to leave institutional settings when they choose.

Transportation

Adapted vehicle loans, as the most common type of loan guaranteed by the ATLP, make a significant impact on the quality of life for program participants, their family members, and caregivers. With reliable, accessible transportation, people with disabilities are better able to access employment, gain independence, and actively participate in their communities.

For example, a properly adapted vehicle can help parent and child avoid injury when getting a heavy wheelchair into the vehicle and can help them travel more safely to essential doctor and therapy appointments. Vehicles are also necessary for community inclusion. Without an accessible means of transportation, program participants would be precluded from many activities outside of the home and from the community at large.

Loan applications for auto repairs help address a challenge familiar to all who own vehicles. Repairs can be unexpected, untimely, and most importantly, expensive. Providing our applicants a means to keep vehicles purchased through loans from our program is critical as they are valuable, often customized, assets that improve participants' quality of life. Our low interest affordable maintenance loans extend the life of the vehicles for families who depend upon them.

Assistive Technology

Assistive technology (AT) devices and equipment are important supports for daily living. Hearing aids, for example, are commonly needed as people age but many who need them cannot rely on health insurance to help cover the cost. In addition, the cost of hearing aids may be prohibitive even if covered in-part by health insurance. Hearing aids make a huge impact on the lives of our applicants, allowing them to function better at work, in social situations, and in other daily interactions. Lower cost AT or durable medical equipment can also help improve a participant's daily functioning and independence.

Accessibility Modifications

Individuals with disabilities can also make modifications that enhance access to their homes with program loans. Elevators, stair lifts, and room modifications are typical loan requests to make homes more accessible, improve personal safety, and allow individuals with disabilities to stay in their homes and age in place, thereby reducing prolonged institutional care. These additions and modifications give participants more maneuverability and independence in their own familiar settings.

Employment and Higher Education

Assistance from the ATLP can provide participants with the critical support they need to obtain an education as well as seek and/or obtain employment. For example, an applicant with both hearing and vision loss utilized our program to finance the cost of a reliable computer that helped them complete college. That same applicant is now employed and successfully completed their loan payments.

Program Improvements

There were two notable program improvements in calendar year 2018. ATLP increased its marketing efforts which resulted in a 50% increase in loan volume. These efforts have allowed us to establish a new partnership with Miracle Ear, Beltone Hearing, and two additional private hearing aid centers, serving Marylanders. The ATLP upgraded their program database which enable the program to produce more detailed reporting measures and streamline the application program.

Priorities for 2019

First and foremost, the program will seek to increase our already strong collaborative efforts with other disability service providers/ agencies throughout Maryland to increase the awareness of potential borrowers of ATLP services. ATLP's marketing efforts in 2019 will focus on forging relationships with hearing aid centers and other disability centers to enhance our ability to meet this growing need. The program will also seek to expand awareness of our program for obtaining ramps and home modifications through targeted marketing. Finally, ATLP is undertaking a strategic planning process to identify all available means to replenish to increase funding so that the program can sustain itself well into the future.

Maryland's Assistive Technology Loan Program remains a smart 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 by supporting their efforts to live, work, and learn more independently.