



COMMONWEALTH of VIRGINIA
Assistive Technology Loan Fund Authority

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September 19, 2012

The Honorable Robert F. McDonnell, Governor of Virginia
and the Members of the General Assembly of Virginia

In accordance with Section 51.5-59 of the *Code of Virginia* and on behalf of the Board of Directors, it is my pleasure to submit the annual report of the Assistive Technology Loan Fund Authority for the fiscal year ended June 30, 2012. During fiscal year 2012, the Authority helped 91 Virginians with disabilities obtain loans for assistive technology and passed through private regional grants to 31 other Virginians who needed hearing aids or eyeglasses.

With a dedicated staff and the Board, our alternative finance lending model has proven to be very successful with current assets of \$10.4 million and has enabled Virginians with disabilities since 1999 to obtain over \$16 million in loans for assistive technology. It is one of the largest sources in the country providing credit financing for disabled individuals and their families to purchase assistive technology directly related to their disability.

The Authority also works with SunTrust Bank as its financial partner to guarantee loans and to buy down interest rates that benefit individual borrowers. This program addresses a significant and unique need to Virginians across incomes and disabilities supporting the acquisition of needed devices and equipment.

Please contact me with any questions, comments or concerns regarding this report or contact Sandra Prince, Acting Executive Director at 804-662-7021.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean J. Bonney", with a long, sweeping flourish extending to the right.

Dean J. Bonney, Chair
ATLFA Board of Directors

Cc: The Honorable William A. Hazel, Jr.

"Affordable Loans for Assistive Technology"

A "New" Name for 2012

In July 2012, the Assistive Technology Loan Fund Authority returned to its historic name and adopted a new logo. The ATLFA name allows everyone to quickly understand the mission. The tag line "Providing Help for a Better Tomorrow" quickly sets out our goal in assisting Virginians with disabilities.

Promoting Telework

In addition to the primary alternative financing program, ATLFA has a loan program specific to telework. These 23 loans have enabled Virginians with disabilities to obtain or retain their employment.



Assistive Technology Loan Fund Authority

PROVIDING HELP FOR A BETTER TOMORROW

this report

Helping Virginians with Disabilities **P.1**

Loan Activity for FY12 **P.2**

Financial Highlights **P.3**

Grant Programs **P.4**

Helping Virginians with Disabilities since 1995

The Assistive Technology Loan Fund Authority (ATLFA), was established by the Virginia General Assembly in 1995 using public funds to help Virginians with disabilities obtain assistive technology, home modifications or telework business equipment through low interest loans.

It was created by individuals with disabilities and is overseen by a consumer majority Board of Directors. The ATLFA provides a unique funding alternative for many who have no other options. Any Virginia resident with a disability or caregiver of a person of any age with a disability can apply.

The program offers loan financing options that currently include direct loans up to \$30,000 with a 5% interest rate and non-guaranteed loans through a banking partner.

Since 2003 when ATLFA became a separate entity, it has been governed by a strong Board of Directors who volunteer their time to safeguard the assets of the organization. With dedicated staff and the Board, our alternative finance lending model has proven to be very successful with current assets of \$10.4 million and has enabled Virginians with disabilities since 1999 to obtain over \$16 million in loans for assistive technology.

The program originally started with an appropriation from the General Assembly in 1996 of \$500,000. The real life benefits of this affordable financing alternative include greater independence, productivity and community participation. The ATLFA has grown to be one of the largest programs in the country and serves as a model program leading to the direct development of other loan programs nationally.

"Affordable Loans for Assistive Technology"

Loan Referrals

Many of our borrowers find out about us through the partnerships we have developed with the small businesses that sell assistive technology products. Staff outreach to vendors assists us in improving the loan process and making it as easy as possible for borrowers.

Approximately 44% of our borrowers found us through their assistive technology vendor.

Another 35% of our borrowers found out about us through their Center for Independent Living, a state agency serving the disabled, or a private not-for-profit agency.

Also, 10% of our borrowers heard about us from another borrower or are repeat customers!

Outreach

Each year, ATLFA Board Members and staff reach out to assistive technology vendors, organizations that assist the disability community, and disabled Virginians to make our services known and grow our programs.

Loan Activity for Fiscal Year 2012

We assisted 91 Virginians with disabilities through our loan programs in Fiscal Year 2012.

ATLFA has provided loans to allow Virginians with disabilities to purchase modified vehicles to allow them to drive despite their disability, to ride in a wheelchair, or to take their wheelchair with them in or on their vehicle. Additionally, we have made loans for wheelchairs, motorized scooters, Braille equipment, hearing aids, low vision aids, communication systems, environmental control devices, and home modifications for accessibility.

The guaranteed and non-guaranteed loans made with our banking partner enabled 13 Virginians with disabilities to obtain loans totaling \$362,990 at below market rates.

<u>Loans Made in FY12</u>		
<u>Type</u>	<u>Number</u>	<u>Value</u>
Direct	78	\$ 649,924
Guaranteed	4	106,824
Non-guaranteed	<u>9</u>	<u>256,186</u>
Total New Loans	<u>91</u>	<u>\$1,012,934</u>

The 78 direct loans made in FY12 was a decrease from the FY11 total of 90; however, the value of the direct loans made in FY12 increased from \$636,000 to \$650,000. This is remarkable given the decreases seen by similar organizations in other states and overall economic conditions.

<u>Direct Loans Made in FY12</u>		
<u>Purpose</u>	<u>Number</u>	<u>Value</u>
Vehicles and Modifications	34	\$446,860
Wheelchairs and Mobility	15	78,942
Hearing Aids	14	42,384
Home Modifications	9	65,227
Other	<u>6</u>	<u>16,510</u>
Total	<u>78</u>	<u>\$649,924</u>

Financial Highlights

In-house loan portfolio at an all time high of
\$1,375,496 at June 30, 2012.

Statement of Net Assets

Assets:	
Cash	\$ 9,166
Loans Receivable (net) (net of allowance of \$75)	1,300
Capital Assets (net of depreciation)	<u>3</u>
Total Assets	10,469
Liabilities:	
Accrued Leave	<u>(6)</u>
Net Assets	<u>\$10,463</u>

(dollars in thousands)

Statement of Revenues and Expenses

Revenues:	
Grant Receipts	\$ 50
Loan Interest	69
Interest Income	<u>28</u>
Total Revenues	<u>147</u>
Expenses:	
Grant Awards	(47)
Loan Services	(8)
Payroll	(222)
Administration	(123)
Marketing	(11)
Loan Allowance	<u>(26)</u>
Total Expenses	<u>(436)</u>
Net Expenses	<u>(\$289)</u>

(dollars in thousands)

Investments included \$2.91 million held by the Treasurer of Virginia in the Local Government Investment Pool, \$5.98 million in FDIC insured certificates of deposit, and \$272,000 held in checking and money market accounts at a commercial bank.

While expenses exceeded revenues by \$289,385, the final results represented savings of over \$100,000 over the initial budget. Savings were mainly due to decreases in staffing levels and savings in administrative costs.

As of June 30, 2012, our banking partner was managing 68 non-guaranteed loans with an outstanding balance of \$1.3 million and 38 guaranteed loans with an outstanding balance of \$421,494.

Our borrowers are consistently paying back their loans. At July 31, 2012, 95% of our borrowers had made a payment in the past 60 days. For FY12, ATLFA experienced a 1.65% default rate, only writing off \$22,000 of loans. In FY12, our borrowers paid back \$543,000 of their outstanding loan balances.

ATLFA Board of Directors

The ATLFA Board consists of 12 members including six persons with a range of disabilities, two persons with investment finance experience, an experienced consumer lender, a certified public accountant, a representative of the Secretary of Health and Human Resources, and an employee of the Woodrow Wilson Rehabilitative Center.

Current Board

Members:

Dean Bonney, Chair
Dack Axelle, Vice-Chair
Rose Ann Janis,
Treasurer

Brian Taylor

Keri Hughes

Jay McLaughlin

Michael VanDyke

Ronald Lanier

Barbara Ostrander

ATLFA Staff

Sandra Prince – Acting
Executive Director

Christy Crowther –
Program Manager

Joseph Stepp –
Financial Director

Grant Funding

Funds for the FY12 grants were obtained from the Richmond Eye and Ear Foundation. Our thanks to them for providing this important resource to Virginians with Disabilities

Consumer Service Fund Grants

ATLFA made grants to 31 Virginians totaling \$45,000 in FY12.

- These grants from the Sensory Fund were for hearing aids and eyeglasses.
- Grants went to individuals who did not qualify for loans and had no other resources available to meet their need for assistive technology.
- Two other individuals received grants shortly after year-end.
- 23 Virginians were denied grants due to a lack of funding.

ATLFA will continue to pursue additional funding for the Consumer Service Fund for future grants.

ATLFA Annual Report for the year ended June 30, 2012



Assistive Technology Loan Fund Authority
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