



COMMONWEALTH of VIRGINIA  
*Assistive Technology Loan Fund Authority*

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www.atlfa.org

October 12, 2018

The Honorable Ralph S. Northam, 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, 2018. During fiscal year 2018, the Authority helped 101 Virginians with disabilities obtain over \$1.8 million in loans for assistive technology.

With a dedicated Board and staff, our alternative finance lending model has proven to be very successful with outstanding direct loans of nearly \$4 million and \$4.9 million available for lending. The Assistive Technology Loan Fund Authority has enabled Virginians with disabilities since 1999 to obtain over \$25.8 million in loans for assistive technology.

Virginia's Assistive Technology Loan Fund Authority 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. This program addresses a significant and unique need to Virginians across incomes and disabilities supporting the acquisition of needed equipment and devices.

Please feel free to contact me with any questions, comments, or concerns regarding this report at 804-662-7021.

Sincerely,

A handwritten signature in cursive script that reads "Sandra W. Banker".

Sandra W. Banker, Executive Director  
Assistive Technology Loan Fund Authority

Cc: The Honorable Daniel Carey, M.D.

*"Affordable Loans for Assistive Technology"*



Assistive Technology Loan Fund Authority

PROVIDING HELP FOR A BETTER TOMORROW

# Annual Report for the year ended June 30, 2018

## Assistive Technology Loan Fund Authority

### **Total outstanding direct loan value \$3.9 million at year-end**

*At June 30, 2018, the total direct loans outstanding was \$3,983,811 for our 309 current borrowers. This is a 15% increase over the June 30, 2017 portfolio balance. This balance is more than double the portfolio balance of just five years ago.*

*During Fiscal Year 2018, the final guaranteed loans with our banking partner were paid-off or otherwise resolved. Total guaranteed and non-guaranteed loans that ATLFA facilitated with our banking partner were 583 loans totaling \$13,220,000. The last new loans made with our banking partner were in 2013.*

### **Loan Activity**

#### **Loans exceed \$1.8 million for second year**

In Fiscal Year 2018, ATLFA made \$1,800,793 in direct loans to 101 Virginians with Disabilities. Loan activity remained essentially flat in FY18 when \$1,810,018 in loans were made. This was the sixth consecutive year where loan activity exceeded \$1,000,000.

ATLFA made 64 loans for modified vehicles, made 18 loans for other vehicle modifications, made 9 loans for hearing aids and 10 loans for other assistive equipment. Other loans included home modifications, power wheelchairs, prosthetics, and a text reader with player recorder.

Each loan represents an important improvement in the life of a Virginian with a disability. Loans for newer vehicles made were made at a 4.6% interest rate and all other loans are made at a 5% interest rate. These rates are usually lower than borrowers could get at private lenders.

The average loan value in fiscal year 2018 was \$17,830, a slight decrease in the average loan value. A greater percentage of the loans this past year were for lower priced vehicles.

**In FY18, ATLFA assisted 101 Virginians with disabilities in obtaining over \$1.8 million in loans.**



11.5% of Virginia residents — nearly 1 million people - have a disability. This Virginia organization is doing something to help bridge the financial gap when it comes to covering much needed equipment for those who are disabled.

The Assistive Technology Loan Fund Authority is not an ordinary loan program. The interest rate is usually below a typical bank market rate. Loans are available with no down payment and longer terms, which reduces the monthly payment. This makes adaptive equipment a real, affordable possibility.

“We know that the majority of people we serve at ATLFA have physical or sensory disabilities,” says Sandra Prince Banker, Executive Director. “Because the assistive technology has to be directly related to their disability.”

The Assistive Technology Loan Fund Authority, established by the Virginia General Assembly in 1995, provides a unique funding alternative for many who have no other options. The real-life benefits of this affordable financing alternative include greater independence, productivity, and community participation.

The best news, though, is that the ATLFA is operated by a grant that already exists, and your application request will not be turned down based on budget cuts faced by agencies that currently receive funding through the Commonwealth of Virginia. Don't hesitate to apply if you think a low-interest loan might benefit you! Please call our toll free number, 1-866-835-5976, for application materials or visit the website at [www.atlfa.org](http://www.atlfa.org).

## Performance metrics

### • APPLICATIONS RECEIVED

FY18 - 172 GOAL - 180

### • CLOSED LOANS

FY18 – 101 GOAL - 108

### • AVERAGE NEW LOAN

FY18 - \$17,830 GOAL - \$15,000

### • BORROWERS WITH NO PAYMENTS IN PAST 60 DAYS

FY18 – 1.94% GOAL – 2.00%

### • PAST DUE AMOUNTS

FY18 – 2.59% GOAL – 2.00%

### • LOAN WRITE-OFFS

FY18 - \$18,716 GOAL - \$70,000

### • LOAN DEFAULT RATE

FY18 – 0.36% GOAL 2.00%

### • PROGRAM AWARENESS EVENTS

FY18 – 10 GOAL - 12

### • INVESTMENT RETURN

FY18 – 1.17% GOAL – 0.63%

### • INVESTMENT INCOME AMOUNT

FY18 – \$61,760 GOAL – \$43,000

### • ADMINISTRATIVE EXPENSE AMOUNT

FY18 – \$441,171 GOAL – \$453,200

# Financial Highlights

ATLFA continues to be good stewards of its funds originally provided by the federal and state governments. In fiscal year 2018, revenues from loan programs and investments met 97% of budgeted amounts and expenses were 6.5% below budgeted amounts. Historically low investment interest rates continue to affect interest income.

At June 30, 2018, ATLFA had \$4.3 million invested in the Treasurer of Virginia's Local Government Investment Pool and \$579,000 in insured bank checking accounts.

Statement of Net Assets		Statement of Revenues and Expenses	
Assets:		Revenues:	
Cash	\$ 4,889	Grant Receipts	\$ 1
Loans Receivable (net)	<u>3,785</u>	Loan Interest	170
(net of allowance of \$199)		Interest Income	<u>62</u>
Total Assets	8,674	Total Revenues	<u>233</u>
Liabilities:		Expenses:	
Accrued Leave	<u>(6)</u>	Grant Awards	(1)
Net Assets	<u>\$8,668</u>	Loan Services	(3)
		Payroll	(309)
		Administration	(130)
		Marketing	(1)
		Loan Allowance	<u>(45)</u>
		Total Expenses	<u>(489)</u>
		Net Expenses	<u>(\$256)</u>
			(dollars in thousands)
	(dollars in thousands)		

## Financial Audit ...

ATLFA is audited annually by the Virginia Auditor of Public Accounts.

The audit for fiscal year 2017 was completed in June 2018 and reported that all transactions had been properly recorded and reported and that there were no internal control matters or instances of noncompliance that needed to be reported.

ATLFA financial information is included in the Commonwealth's annual financial report by the State Department of Accounts.

## Card Payments ...

During fiscal year 2018, borrowers made on-line and phone card payments totaling \$520,292. This represents 41% of total payments over the same period. Over a similar period in 2017, 33% of payments had been made using payment cards.

## Defaults and Write-offs

*Fiscal Year 2018 represents our ninth straight year of Meeting our target default rate.*

Defaults and write-offs only represented 0.36% of our outstanding loans in fiscal year 2018. Total write-offs for the year totaled \$18,716. This remarkably low default rate is attributable to the dedication of our borrowers and staff follow-up.

As of June 30, 2018, 95.5% of our borrowers had made a payment in the past 45 days and only 2.5% of the outstanding loan balance was past due.

# Strategic Plan – 2017 Update

At its meeting in December 2017, the Board of Directors finalized the revision to the 2013 Strategic Plan.

## Strategic Goals and Activities

Goal 1 – Increase awareness of ATLFA programs through marketing and other efforts.

- Continue outreach activities directed towards vendors and other stakeholders
- Continue to present ATLFA activities and programs at Secretarial Agency Head meetings
- Involve Board and Staff members in community events and organizations
- Leverage low-earning and uninvested capital for growth and marketing

Goal 2 – Enhance services to ATLFA applicants, vendor partners, and existing loan holders; and develop alternative funding sources.

- Discuss possible ways to improve ATLFA processes with vendors and other stakeholders
- Consider opportunities for state, local, and private funding to make grants to disabled Virginians through the Consumer Service Grant Program
- Continue to work with the United Way and CVC and participate in their fundraising

Goal 3 – Continually improve ATLFA administrative operations focusing on program growth, efficiency, and sustainability.

- Continually improve loan application processes to consider: refining credit requirements, better targeting of lending, and better managing risk to lower default rates
- Continually improve payment processes to consider: better communications with borrowers to lower delinquency rates, more efficient statement processing, and continually improving website security
- Prepare continuity plan

Contact us at **1-866-835-5976**

[www.atlfa.org](http://www.atlfa.org)

## **ATLFA Board Members As of September 30, 2018**

Joyce Viscomi, Chair  
Sarah Liddle, Vice-Chair  
Elise Nelson, Treasurer  
Dean Bonney  
Michael Costanzo  
Marques Jones  
Vanessa Rakestraw  
Brian Taylor  
Michael VanDyke  
AnnMarie Wakely  
Dr. Daniel Carey  
Barbara Ostrander

## **ATLFA Staff**

Sandra Banker  
Executive Director

Christy Crowther  
Program Manager

Joseph Stepp  
Financial Director

## *Consumer Service Grant Program*

*The Consumer Service Grant Program makes grants to Virginians with disabilities who do not qualify for loans. This Program is funded by donations through the Commonwealth of Virginia Campaign and administered by ATLFA. In fiscal year 2018, one grant for \$900 was made to assist in a wheelchair van repair.*