



COMMONWEALTH of VIRGINIA
Assistive Technology Loan Fund Authority

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September 15, 2021

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 (ATLFA) for the fiscal year ended June 30, 2021. During fiscal year 2021, the Authority helped fifty-eight (58) Virginians with disabilities obtain over \$1.1 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 over \$3.7 million and \$4.3 million available for lending. Since 1999, the ATLFA has enabled Virginians with disabilities to obtain over \$30.6 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 to individuals with disabilities and/or to their families for the purchase of assistive technologies directly related to a disability need. This program provides a significant and unique avenue for the acquisition of equipment and devices for qualified Virginians, across incomes and disabilities, thus affording the opportunity to add to the independence, productivity and overall quality of life for both, the individual and their families

Please feel free to contact Sandra W. Banker, Executive Director, with any questions, comments, or concerns regarding this report at 804-662-7021.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Liddle".

Sarah Liddle, Chair
ATLFA Board of Directors

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, 2021

Assistive Technology Loan Fund Authority

Providing Help for a Better Tomorrow

The Assistive Technology Loan Fund Authority (ATLFA) was established by the Virginia General Assembly in 1995 using public funds from both state and federal sources to help Virginians with disabilities obtain assistive technology equipment directly related to their disability through low interest loans. The program originally started in 1996 with a \$500,000 appropriation from the General Assembly and subsequent federal grants. The real life benefits of this affordable financing alternative include greater independence, productivity and community participation.

Twenty Years of Providing Loans to Virginians with Disabilities

Direct Loans exceed \$17.4 million

Since the start of its Direct Loan Program in 2000, ATLFA has made 1,461 low interest loans totaling \$17,411,000 to Virginians with disabilities for items as diverse as wheelchair vans to prosthetics and tools to start a business.

Additionally, until 2013, ATLFA assisted Virginians with disabilities in obtaining guaranteed and non-guaranteed loans with a banking partner and subsidized a lower interest rate for 583 borrowers. These loans totaled \$13,200,000.

**ATLFA has
assisted 2,044
Virginians with
disabilities in
obtaining over
\$30.6 million in
loans.**

Each loan represents an important improvement in the life of a Virginian with a disability. Most loans are made at a 5% interest rate while loans for newer vehicles made are made at an indexed interest rate. These rates are usually lower than borrowers could get from private lenders.



11.5% of Virginia residents, nearly 1 million people, have a disability. ATLFA 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 and loans are available with no down payment and longer terms. This can reduce the monthly payment and make adaptive equipment a real, affordable possibility.

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

ATLFA 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 is that the ATLFA is operated by a grant that already exists, and applications are not turned down based on any state or federal budget constraints.

Further information and application materials are available by calling our toll free number, 1-866-835-5976 or at our website at www.atlfa.org.

Fiscal Year 2021 Loan Activity

- In the year ended June 30, 2021, ATLFA closed 58 direct loans totaling \$1,164,000. This represented a 25% decrease in the value of loans compared to the previous year.
- Loans closed during the year included 38 for accessible vehicles and 13 for hearing aids.
- Nine accounts totaling \$37,643 were written off during the year. Three of those accounts were closed due to the death of the borrower.
- The default rate for the year was 0.65%, down from 0.87% in the previous year. Two accounts did not have a payment in the past 90 days.
- At June 30, 2021, the ATLFA direct loan portfolio was \$3,725,500 for 246 borrowers. Due to increased payments and fewer loans, this is a 19% decrease compared to the previous year.
- At June 30, 2021, only 2.82% of the outstanding loan balance was past due and nearly 94% of borrowers had paid in the current billing cycle or were not past due.
- During the year, borrowers made on-line and phone card payments totaling \$785,544 representing 39% of total payments. This was consistent with the previous year.

Financial Highlights

ATLFA continues to be good stewards of its funds originally provided by the federal and state governments. In fiscal year 2021, revenues from loan programs met 85% of budgeted amounts and expenses were 7.8% below budgeted amounts. Historically low investment interest rates continue to affect interest income.

At June 30, 2021, ATLFA had \$3.6 million invested in the Treasurer of Virginia's Local Government Investment Pool and \$740,000 in bank checking accounts.

Statement of Net Assets

Assets:	
Cash	\$ 4,318
Loans Receivable (net) (net of allowance of \$186)	<u>3,539</u>
Total Assets	7,857
Liabilities:	
Accrued Leave	<u>(15)</u>
Net Assets	<u>\$7,842</u>

(dollars in thousands)

Statement of Revenues and Expenses

Revenues:	
Loan Interest	\$ 202
Interest Income	<u>6</u>
Total Revenues	<u>208</u>
Expenses:	
Loan Services	(2)
Payroll	(345)
Administration	(128)
Loan Allowance	<u>6</u>
Total Expenses	<u>(469)</u>
Net Expenses	<u>(\$261)</u>

(dollars in thousands)

Financial Audit

ATLFA is subject to annual audits and reviews by the Virginia Auditor of Public Accounts. In February 2021, the Auditor of Public Accounts began a review of internal controls at ATLFA.

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

Mission Statement

Promoting alternative
funding resources for
Virginians with disabilities
to acquire assistive
technology
that can enhance
independence and
improve
quality of life

COVID-19 Impact

During fiscal year 2021, in response to the pandemic and in accordance with state guidelines, ATLFA reduced staff presence in the office to the time essential for continuous operations while increasing remote work hours. ATLFA resumed full-time in-office operations in June 2021. ATLFA was able to maintain normal operations by closing its offices to visitors and working with applicants, borrowers and other stakeholders through phone, fax, and e-mail.

In person ATLFA Board and Loan Committee meetings remained suspended until the Board meeting in June 2021. Throughout the year, the Executive Director remained in continuous contact with the Chair and Vice Chair of the Board and periodically updated Board Members on ATLFA activities. Until in-person Loan Committee meetings resumed in March 2021, the Board delegated application reviews to the designated Banker Board Member based on Board approved criteria.

ATLFA – Looking Forward

- The main challenge faced by ATLFA is sustainability. Since this challenge was first identified in 2007, ATLFA has developed a business assessment model that is updated annually and was reviewed by the Board in September 2021.

The current assessment suggests that beginning in 2032, ATLFA may have to identify additional funding sources and/or limit new loans issued in order to extend the life of the program. Until additional funding is identified, loans made would be limited to a share of loan repayments. ATLFA continuously strives to be more efficient and control administrative costs.

- Another risk of any lending program is the risk that borrowers will not repay their loans. Through application review, careful monitoring, providing different methods of repayment, and follow-up of delinquent accounts, ATLFA has been able to achieve a default rate of 0.65% for fiscal year 2021. As of June 30, 2021, less than 3% of the outstanding loan balance was past due.
- A third risk is not providing the program benefits to those who could improve their lives through the program. ATLFA has continued to improve program awareness by maintaining relationships with accessibility vendors. Many applicants are referred to ATLFA by their accessibility vendor. ATLFA also participates in program awareness events and maintains relationships with the Centers for Independent Living and other similar agencies.

Assistive Technology Loan Fund Authority
1602 Rolling Hills Drive, Suite 107
Richmond, Virginia 23229

Contact us : **1-866-835-5976** or **atlfa@atlfa.org**

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ATLFA Board Members As of September 30, 2021

Sarah Liddle, Chair
Vanessa Rakestraw, Vice-Chair
Elise Nelson, Treasurer
Douglas Bierly
Chris Grandle
LaMont Henry
Marques Jones
Ronald Lanier
Kristoffer Peterson
Michael VanDyke
Dr. Daniel Carey
Clay Huie

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. At June 30, 2021, \$57,500 was available for grants. Over \$1,000 in donations were made during the year.