



COMMONWEALTH of VIRGINIA
Assistive Technology Loan Fund Authority

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September 30, 2022

The Honorable Glenn Youngkin, 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, 2022. During fiscal year 2022, the Authority helped seventy-three (73) Virginians with disabilities obtain over \$1.5 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 \$4.0 million available for lending. Since 1999, the ATLFA has enabled Virginians with disabilities to obtain over \$32.2 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 C. Liddle".

Sarah Liddle, Chair
ATLFA Board of Directors

Cc: The Honorable John Littel

"Affordable Loans for Assistive Technology"



Assistive Technology Loan Fund Authority

PROVIDING HELP FOR A BETTER TOMORROW

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Annual Report

FISCAL YEAR 2022

Mission Statement

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



Fiscal Year 2022 Highlights

- ATLFA assisted 73 Virginians with disabilities obtain loans to purchase over \$1.5 million in assistive technology in the year ended June 30, 2022. This amount represents 76% of the fiscal year 2019 high loan issuance level.
- As of June 30, 2022, ATLFA was managing a direct loan portfolio of over \$3.7 million with 223 borrowers in repayment. This portfolio balance is approximately equal to the balance at June 30, 2021.
- The dollar value of direct loans issued by ATLFA in FY 2022 was 35% more than in the previous fiscal year.

In fiscal year 2022, ATLFA nearly recovered its loan issuance dollar volume to pre-pandemic levels.

Financial Information

ATLFA monitored and managed expenses so that actual expenses were 9% below budgeted amounts.

Investment revenues were above budgeted amounts due to higher interest rates.



Statement of Net Assets

(dollars in thousands)

Assets:	
Cash	\$3,979
Loans Receivable	<u>3,552</u>
(net of allowance of \$187)	
Total Assets	7,531
Liabilities:	
Accrued Leave	<u>(3)</u>
Net Assets	<u>\$7,528</u>

Cash balances at June 30, 2022 included \$393,000 in federally insured cash balances with our banking partner and \$3,586,000 in the State Treasurer's investment pool.

Note: As of June 30, 2022, ATLFA had no outstanding loan guarantees.

Statement of Revenues and Expenses

(dollars in thousands)

Revenues:	
Contributions	\$1
Loan Interest and Fees	192
Investment Income	<u>9</u>
Total Revenues	288
Expenses:	
Grant Awards	(0)
Loan Services	(3)
Payroll	(343)
Administration	(118)
Marketing	(0)
Loan Allowance	<u>(51)</u>
Total Expenses	<u>(515)</u>
Net Expenses	<u>\$(313)</u>

For fiscal year 2022, actual expenses were less than the \$565,000 budgeted amount. This was mainly due to savings in administrative expenses.

Write-offs and Delinquencies Remain at Low Levels

ATLFA continued to diligently monitor loan holder payments in fiscal year 2022. During the year, ATLFA had to write-off only 9 loans totaling \$50,366; with five of these loans written-off due to the death of the primary loan holder.

These write-offs represent an annual default rate of 0.95% which was consistent with FY21 and still well within the performance measure target of 2.5% and the 4% historical rate.

As of June 30, 2022, total past-due amounts were \$60,163 or 1.6% of the total portfolio amount of \$3,687,304 and only 7 of 223 active loan holders had past due amounts with no payments in the past 30 days. By September 1, 2022, 6 of these 7 loan holders had made a payment and the other account had been written off.

The loan default rate has been below 1.5% for the past eight consecutive years.

ATLFA Continues to Monitor Performance Measures

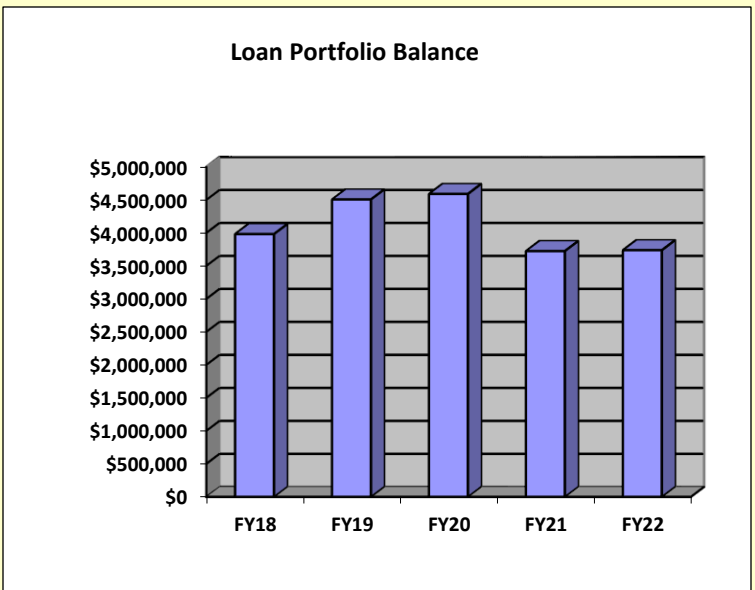
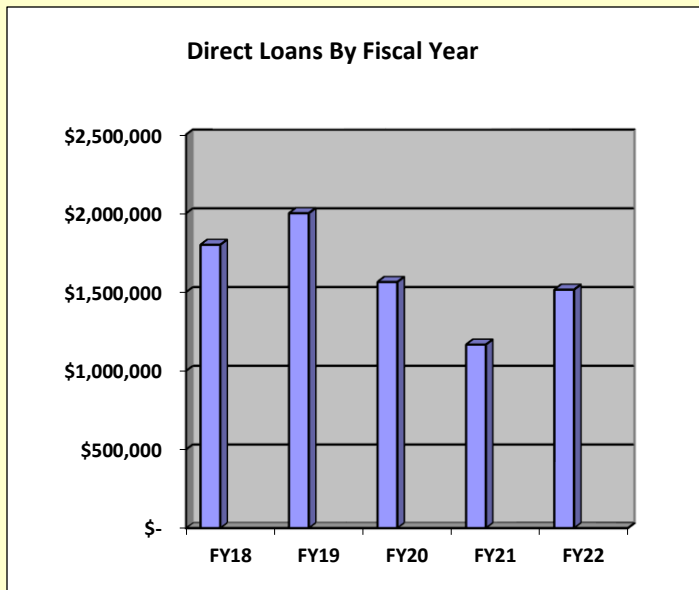
In fiscal year 2022, ATLFA continued to monitor its strategic plan performance measures. While ATLFA met many performance measures, decreases in applications and number of loans closed prevented meeting other measures.

<p>Loan activity:</p> <p>Applications Target 180 Actual 121</p> <p>Closed Loans Target 100 Actual 73</p> <p>Average closed loan Target \$19,000 Actual \$21,585</p>
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<p>Collection activity:</p> <p>Delinquent Borrowers Target 2.00% Actual 1.35%</p> <p>Past due Amounts: Target 2.00% Actual 1.61%</p> <p>Loan Write-offs Target \$50,000 Actual \$50,366</p> <p>Default Rate Target 2.00% Actual 0.95%</p>
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<p>Administrative activity:</p> <p>Investment Return Target 0.09% Actual 2.30%</p> <p>Investment Income Target \$3,150 Actual \$9,278</p> <p>Administrative Expenses Target \$514,719 Actual \$464,026</p>

Direct Loans and Loan Portfolio History



ATLFA made 73 direct loans in fiscal year 2022 with a value of over \$1.5 million, a 35% increase over the value of loans made in fiscal year 2021. Of the 73 loans, 45 were for converted vehicles, 16 were for hearing aids, and 7 were for vehicle modifications.

Loan portfolio balance remained steady in fiscal year 2022 with 223 loan holders having over \$3.7 million outstanding. This represents a 19% decrease over the highest portfolio balance of two years ago.

ATLFA Activities in Fiscal Year 2022

In fiscal year 2022, ATLFA continued its efforts to monitor and improve its operations towards sustainability. Automated Clearing House payments using borrowers' checking account information were implemented to save on card payment fees. Interest rates charged on loans were reviewed by the Board and rates were increased at the July 2022 Board meeting. These efforts, as well as, monitoring other administrative costs should continue to improve sustainability.

During fiscal year 2022, ATLFA made significant advances in updating its information technology systems. These changes will make the systems more secure, more efficient, and better able to provide accurate information quickly.

- A project was begun to create a new database system to create, monitor and store information related to loan applications and track that information through the loan approval process.
- The loan portfolio application that includes billing, payment posting, and balances was upgraded to a more secure and improved cloud-based version of the legacy application.
- The general ledger software was upgraded to the most recent cloud-based version of the most popular accounting software application.

Combined Virginia Campaign Charity # 03153

ATLFA received nearly \$1,000 from the Combined Virginia Campaign (CVC) in fiscal year 2022. These funds are added to the Consumer Services Program and are used to support disabled Virginians who do not qualify for the loan program. During fiscal year 2022, no awards under this program were made.

All ATLFA staff, several Board members, and other Commonwealth employees contributed to ATLFA through CVC.

To designate funds to ATLFA in the 2022 CVC program, please use charity number 03153.

Current ATLFA Board Members

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

ATLFA Staff

Sandra Banker
Executive Director

Christy Crowther
Program Manager

Joseph Stepp
Financial Director