

Alternative Financing Mechanisms

Title III, Assistive Technology Act of 1998

First Annual Report to Congress

U.S. Department of Education

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Executive Summary

Introduction

The Assistive Technology Act of 1998, Pub. L. No. 105-394 (AT Act), has been instrumental in providing access to assistive technology (AT) devices and services for adults and children with disabilities. Assistive technology supports individuals in every area of life: employment, education, health care, information technology and community living. The importance of AT cannot be overemphasized. With the use of AT, an individual can maintain or develop independence in his or her life, with either low-tech AT, such as a grab bar in a bathtub or a wheelchair ramp leading into a home, or high-tech AT, such as a customized computer for communication at school or at work, or a specialized lift for a van that enables transportation to a job, grocery store or to a doctor's appointment.

Under Title I of the AT Act, states established AT Projects that provide comprehensive AT programs and services for persons with disabilities. These state AT Projects provide AT equipment loan programs, AT device demonstration centers, and services such as AT information and referral, AT training for service providers and AT education to meet the needs of children and adults.

NIDRR, in the Office of Special Education and Rehabilitative Services of the U.S. Department of Education, administers Title III of the AT Act and Title I, which funds Assistive Technology Programs in states, the District of Columbia and outlying areas.

Because individuals with disabilities typically have low incomes and high medical expenses, it is difficult for many to afford the specialized AT that they need to function independently. In testimony at public hearings held throughout the U.S. in 1998 and 1999 by the National Institute on Disability and Rehabilitation Research (NIDRR), many individuals and their families cited the lack of financing for AT as a persistent barrier to purchasing AT equipment. Through funding for Title III of the AT Act in Fiscal Year (FY) 2000, Congress provided an innovative mechanism, the Alternative Financing Program, to enable states to establish affordable loan programs to help persons with disabilities finance needed AT equipment.

In FY 2000, Congress appropriated \$3.8 million in funding for the Title III Alternative Financing Program (AFP). According to the statute, only states that have received grants under Title I of the AT Act are eligible to apply for AFP grants. Six out of 13 state applicants that applied for the one-year grants received funding. These six states (Kansas, Maryland, Missouri, Pennsylvania, Utah and Virginia) received grants ranging from \$500,000 to \$1 million. States matched the federal grant money with state and private monies to produce a total loan fund capacity of \$8,615,953.

Preliminary Data for FY 2000 Programs

Preliminary data on AFP loans were tabulated from states that were awarded federal AFP grants during FY 2000. During the data reporting period—October 1, 2000, to September 30, 2001—the AFPs received 351 applications for loans. They provided \$2,309,356 in loans to 229 people, with a median loan amount of \$5,000.

During the reporting period a default rate on all loans of zero percent was recorded.

This report provides in-depth information on 311 out of the 351 loan applications that were completed and entered in the Web-based data system. Due to the preliminary nature of the data and the new Web-based reporting system, these data should be considered as initial findings. Additional data will be entered into the system and analyzed as files are completed for the data reporting period. This information can be accessed through “Outcome Reports” at www.resna.org/AFTAP/loan/index.html or www.ed.gov/offices/OSERS/NIDRR.

This executive summary will present a few specific findings from the preliminary data on the AFP loan applications. A complete listing of all preliminary data can be found in the section “Preliminary Analysis of Alternative Financing Program Data from States” in a subsequent section of this report. Future opportunities exist for in-depth analyses of the AFP data after the preliminary data are finalized. Additionally, analyses of outcome data from the AFP will occur as the program continues and more individuals with disabilities receive loans to purchase needed AT devices and services.

AT loans most often were requested for transportation or vehicle modifications, mobility equipment (such as wheelchairs or electric scooters), computer equipment or computer access, equipment for daily living activities and home modifications. Demographic data on the ages of loan applicants showed that slightly less than one-half (46.3 percent) were middle-aged (between 40 and 59 years of age), about one-quarter (24.6 percent) were between 20 and 39 years of age, about one-fifth (17.8 percent) were 60 years of age and older and about one-tenth (11.2 percent) were between 3 and 19 years of age. Data on the communities of applicants showed that 41.2 percent were from primarily rural areas, 28.6 percent were from primarily suburban areas and 25.7 percent were from primarily urban areas.

Impact of the AFP

Anecdotal information from this reporting period indicate that the AFP has assisted numerous loan applicants in obtaining assistive technology devices. However, it is too early in the process to determine the impact of the program. Follow-up information is being collected on loan applicants and will allow for more in-depth analyses. The individual stories of AFP loan applicants who received loans during the first year of AFP operation suggest that the impact of these loans is far-reaching. For specific stories on individuals and the AT they received through the AFP, refer to the section in this report entitled “Meeting the Needs of Individuals with Disabilities.”

State AT Projects have contributed to the establishment and operation of the Alternative Financing Programs. State AT Projects, funded under Title I of the AT Act, provide a program base of AT information and referral, AT training, AT equipment loans and staff expertise in assistive technology issues and programs. In turn, state AFPs, funded under Title III of the AT Act, offer alternative funding sources for persons with disabilities. Partnerships formed as a result of this natural link between the AFPs and the state AT Projects have created a broad network to better serve persons with disabilities.

Background Information on the Assistive Technology Act of 1998 and the Alternative Financing Program

With the passage of the Assistive Technology Act of 1998, Congress continued its support for activities that promote access to AT devices and services for children and adults with disabilities. Title I of the AT Act authorizes continued funding for Assistive Technology Programs in states and outlying areas; 56 AT Programs are in operation including those in the 50 states, the District of Columbia, Puerto Rico, American Samoa, U.S. Virgin Islands, Northern Mariana Islands and Guam. These state AT Programs assist, identify and respond to the AT needs of individuals with disabilities. The state AT Programs act as catalysts for systemic change and as leveraging forces within states to make AT devices and services more readily available to those who need them.

Alternative Financing Program

The Alternative Financing Program (AFP) was authorized under Title III of the AT Act of 1998. The AFP is designed to assist states in establishing or maintaining alternative financing projects to increase access to AT for individuals with disabilities. The initial funding for AFP under Title III was appropriated in Fiscal Year (FY) 2000, thus this report is the first one issued to Congress specifically on the AFP.

The AFP and AT Programs in states, the District of Columbia and outlying areas are administered by the National Institute on Disability and Rehabilitation Research (NIDRR) in the Office of Special Education and Rehabilitative Services of the U.S. Department of Education.

Currently, some public and private funding sources help qualified individuals obtain AT. These programs include Medicaid, Medicare, special education, vocational rehabilitation and, to a limited extent, private insurance. These public and private systems have encountered varying degrees of success in meeting the AT needs of individuals with disabilities.

- For eligible recipients, Medicaid and Medicare offer viable though often unpredictable funding sources as they often do not routinely cover all types of AT.
- The Individuals with Disabilities Education Act (IDEA) has included AT devices and services since 1990. IDEA requires school districts to take AT into account in their evaluations and planning for students with disabilities.
- The Rehabilitation Act of 1973, as amended, includes several provisions requiring inclusion of AT devices and services among the range of available services offered by the vocational rehabilitation system.
- Private insurers vary in their coverage of AT or how broadly they cover AT.

**Financing of AT
Cited as Barrier
by Individuals
with Disabilities**

Currently, public and private programs cannot meet the growing demand for AT. Most individuals with disabilities who do not qualify for AT under these service programs do not have the personal financial resources to purchase the AT they need or to qualify for conventional loans. The development of reduced interest loan programs or other financing mechanisms authorized under the AFP can offer individuals with disabilities an option for the purchase of AT.

In 1998, the National Institute on Disability and Rehabilitation Research (NIDRR) sponsored hearings in different areas of the country on issues relating to appropriate and timely access to AT devices and services. At these hearings, financing of AT was cited by many individuals as a persistent barrier to their purchasing the AT devices that they needed. Testimony from consumers, families, and service providers identified a need for new funding strategies and models to expand funds for AT purchases. Public testimony also indicated that AT users wanted maximum autonomy in identifying their technology needs and the devices and services that would best meet these needs. (*Blueprint for the Millennium: An Analysis of Regional Hearings on Assistive Technology for People with Disabilities*, published by the National Institute on Disability and Rehabilitation Research, Office of Special Education and Rehabilitative Services, U.S. Department of Education, Washington, D.C., 1998.)

Moreover, the testimonies emphasized that separately, or in combination, the other public AT purchasing systems do not have sufficient resources to meet the growing demand for AT. Testimony showed that there also is a lack of private financial resources for the purchase of AT.

A significant recommendation of the hearings was that state AT Programs should continue to work with entities such as consumer organizations, community-based groups, and private lending institutions to establish alternative financing programs for the purchase of AT devices and services. Alternative financing programs offer individuals with disabilities attractive options to purchase AT they otherwise would be unable to obtain. Loan programs enhance access to AT devices and services in a way that underscores independence and inclusion.

It appears that the demand for AT will grow as the number of individuals with disabilities increases, along with the nation's elderly population, and as consumers and their families become more aware of the role and benefits of AT. The result will be a tremendous strain on public and private third-party funding sources.

**Description of
the Role of the
Alternative
Financing Program
(AFP)**

The AFP is an innovative federal program that pays a share of the costs for establishment or expansion, and administration, of an alternative AT financing program in states. The program allows individuals with disabilities and their family members a viable means for purchasing AT devices and services.

The AFP enables individuals with disabilities to access a funding alternative to public assistance programs that are unable to meet the need for AT. Due to unemployment or underemployment, many persons with disabilities have low incomes and do not have the personal financial resources necessary to purchase the AT they need or to qualify for conventional bank loans.

Under the AFP, an AT alternative financing program may be established in a state with the support of federal funds. There are some conditions that these state programs must meet. To establish a loan program, a state must enter into a contract with a community-based organization, such as a Center for Independent Living that has individuals with disabilities involved in decision-making at all organizational levels, to administer the alternative financing program. The federal program also requires that the community-based organization enter into a contract with a commercial lending institution or state financing agency.

According to the statute, the programs must provide one or a combination of the following financing mechanisms: (1) a low-interest loan fund; (2) an interest buy-down program, (3) a revolving loan fund; (4) a loan guarantee or insurance program; (5) a program operated by a partnership among private entities for the purchase, lease or other acquisition of AT devices or AT services; or (6) another mechanism that meets the requirements of this program.

Each state loan program is required to provide specific information to NIDRR about its program and applicants for the loans. It must indicate the ratio of funds provided by the state or by private sources to funds provided by the federal government. It must describe the type of alternative financing mechanism used and the community-based organization with which the state entered into a contract.

In addition, the AFP must collect information on each individual with a disability served by the project, such as the amount of assistance, type of AT device or AT service financed through the project, type of disability, age, gender, race, ethnicity, socioeconomic status, primary language, geographic location within the state, employment status, whether the consumer is part of an underrepresented population or rural population and whether the consumer tried to secure financial support from other sources and, if so, a description of those sources.

In Fiscal Year (FY) 2000, the secretary was required to make a minimum award of \$500,000 to any eligible state that applied and was recommended for funding. Each state was required to provide matching funds so that the federal share of the cost of its AFP did not exceed 50 percent. This meant that states had to match federal funds dollar for dollar. The non-federal share of the cost of the AFP needed to be in cash, from state, local, or private sources. In-kind contributions were not allowable.

Fiscal Year 2000 Funding for the Alternative Financing Program

In FY 2000, \$3.8 million was appropriated for Title III to fund the Alternative Financing Program. Of the 13 States that applied, six states were awarded one-year grants ranging from \$500,000 to \$1 million; awards totaled \$3,792,576. Title III requires the alternative financing programs to continue on a permanent basis.

The six states that received funding for AFPs in FY 2000 were Kansas, Maryland, Missouri, Pennsylvania, Utah and Virginia. Preliminary data are reported in this document for five of the six programs. No data were available for Missouri since it spent its first year developing a new alternative financing loan program. Missouri began marketing its program and distributing applications in September 2001. The other five states that received grants had existing AT loan programs that were established under their Title I programs.

The six states that received funding for FY 2000 used different loan models, including revolving loan programs, loan guarantee programs and interest buy-down models, as shown in Table 1. Guaranteed loans help individuals qualify for loans because these loans are backed by a promise or “guarantee” that, even if the

Table 1: Profile of FY 2000 State Alternative Financing Programs

State	Loan Models	Partners	Funding Sources
KS	Revolving Loan, Loan Guarantee	Assistive Technology for Kansans Project Kansas Assistive Technology Cooperative MidAmerica Credit Union	\$742,576 Federal Grant (50%) \$742,576 State Match (50%) \$1,485,152 Total Program
MD	Loan Guarantee, Interest Buy-Down	Maryland Technology Assistance Program AT Guaranteed Loan Program Sun Trust Bank State Employees Credit Union of Maryland 1st Mariner Bank	\$500,000 Federal Grant (50%) \$500,000 State Match (50%) \$1,000,000 Total Program
MO	Revolving Loan	Missouri Assistive Technology Council \$how Me Loans Committee Missouri State Treasurer	\$550,000 Federal Grant (50%) \$550,000 State Match (50%) \$1,100,000 Total Program
PA	Loan Guarantee	Pennsylvania's Initiative on Assistive Technology Pennsylvania's Assistive Technology Foundation First Union National Bank	\$500,000 Federal Grant (50%) \$500,000 State Match (50%) \$1,000,000 Total Program
UT	Interest Buy-Down	Utah Assistive Technology Program Utah Assistive Technology Foundation Zions Bank	\$500,000 Federal Grant (50%) \$500,000 State Match (50%) \$1,000,000 Total Program
VA	Revolving Loan, Loan Guarantee, Interest Buy-Down	Virginia Assistive Technology System Assistive Technology Loan Fund Authority Sun Trust Bank	\$1,000,000 Federal Grant (50%) \$1,000,000 State Match (50%) \$2,000,000 Total Program

loan goes into default, the loan will be paid back. Interest buy-down programs allow an organization to use its funds to reduce the interest rate on a conventional loan. For example, a loan that originally would have an interest rate of 7% might be bought down by the organization to a 4% interest rate. This lower rate helps borrowers meet underwriting standards to enable them to qualify for loans. Revolving loan fund programs provide direct loans to individuals. Loan payments made by these loan recipients then are dedicated to the re-capitalization of the loan fund and are recycled into future loans for other individuals.

Table 1 also indicates how states partnered with a variety of community-based organizations, such as an AT foundation, a community cooperative comprised of persons with disabilities, a quasi public-private entity established by state statute and a nonprofit council.

Table 2 shows how states varied according to AFP features. The table provides information on each state's range of loan amounts, the interest rate

Table 2. Loan Program Features for FY 2000 State Alternative Financing Programs

State	Range of Loan Amounts	Interest Charged to Borrower	Repayment Terms	Loan Guarantee Requirements (1)
KS	No set limit	5.5% - 7.9%	Flexible terms to 10 years	50%
MD	\$500 - \$30,000	4 points below prime for guaranteed loans; 1 point below prime for most non-guaranteed loans	1-7 years	50%
MO	\$500 - \$10,000	2% - 7%	Up to 5 years, may be longer	NA
PA	Under \$1,000 — \$25,000	8.5%	Varies by type of AT	100%
UT	No set limit	0% for devices \$3,000 buy-down for vans	Up to 5 years, may be longer term	NA
VA	No limits — Interest buy down Up to \$20,000 — guaranteed loans	4% below prime — guaranteed loans; 4.25% below market rate — non-guaranteed loans	<ul style="list-style-type: none"> • Up to 4 years — loans under \$5,000 • Up to 5 years — loans over \$5,000 • Up to 6 years — vehicles • Up to 20 years — home equity loans 	50%

(1) Percentage required by lender to guarantee loan. For example, if the loan guarantee requirement is that \$.50 be set aside for every \$1.00 approved in loans by the lender, the loan guarantee requirement is 50%. If \$1.00 must be set aside for every \$1.00 approved in loans by the lender, the loan requirement is 100%. These set asides go into a loan loss reserve account with participating lenders.

**Table 3. Loan Activity of State Alternative Financing Programs
October 1, 2000 — September 30, 2001**

State	Total Loan Fund Capacity	Number of Applications Received	Number of Loans Approved and Closed (%)	Dollar Value of Loans Approved and Closed	Median Amount of Approved and Closed Loans	Default Rate	Program Administrative Costs
KS	\$1,240,953	60	34 (57%)	\$114,136.60	\$1,700.00	0%	7%
MD	2,000,000	133	97 (73%)	1,166,095.87	8,100.00	0%	9%
MO	1,000,000	0	0 (0%)	0	0	na	8%
PA	575,000	23	18 (78%)	154,559.67	3,859.00	0%	35%
UT	1,000,000	38	29 (76%)	216,693.73	2,287.00	0%	3%
VA ¹	2,800,000	97	47 (48%)	657,871.00	15,500.00	0%	5%
TOTAL	\$8,615,953	351	229 (65%)	\$2,309,356.87	\$5,000.00	0%	10%

¹ As the data collection records from the Virginia AFP and the records for Virginia in the national Web-based data collection system differ, data reported here are from records in the national Web-based data collection system. The Virginia AFP records indicate 203 applications were received, 66 (33%) loans were approved for a total of \$980,570.80 in loans with a median loan amount of \$15,250.

Total loan fund capacity — Total dollar value of the loan program including state, federal and private monies currently available for potential loans as well as those currently set aside for guarantee purposes.

Number of loans approved and closed — Loans approved by bank/AFP and accepted by borrower as of September 30, 2001.

Average percentage of loans approved and closed — Total applications received divided by number of applications approved as of September 30, 2001.

Dollar value of loans approved and closed — Loans approved by bank/AFP and accepted by borrower as of September 30, 2001.

Median amount of approved and closed loans — Median amount indicates that one-half of the approved and closed loans were for individual loan amounts above the median cited and one-half were for loan amounts below the median cited.

Default rate — Rate expressed as a percentage determined by dividing the total amount of loans approved in the past year into the total amount (value) of loans that have defaulted.

Program administrative costs — Total loan program administrative costs, such as personnel, rent, and marketing, divided by total loan program amount (federal funds and state match).

charged to borrowers, repayment terms and loan guarantee requirements for the state.

As indicated in Table 3, the total loan fund capacity for the AFP for the first program year totaled \$8,615,953. This figure includes the federal award and state and private matching dollars. Several of the states had loan guarantee components that leveraged the federal funds—one dollar for every two dollars available in private bank monies. Table 3 also shows preliminary tabulations for data collected from Kansas, Maryland, Pennsylvania, Utah and Virginia. As the table indicates, by the end of the first year of operation, the AFPs received 351 applications for loans. They funded 65 percent of these requests, providing \$2,309,356 in loans to 229 people with disabilities, with a median loan of \$5,000. In addition to the loans that already were closed by September 30, 2001, and shown in Table 3, there were more than 25 pending loan applications, with a total loan value of more than \$300,000. For the first year, the loan programs reported a zero percent default rate. Total administrative costs for all state AFPs averaged only 10 percent of the total program funding (federal grants and matching state monies).

New Program Initiatives Started from AFPs

Of particular note are several related program initiatives that have grown out of the Title III funding for AFPs. A “bulk buying” program for AT devices has been successfully implemented in two states. These buying plans have reduced AT purchase prices for borrowers. A few states have begun direct loan programs to individuals for smaller loan amounts (under \$4,000). These direct loans (revolving loans) have decreased approval time and reflect a commitment to consumer responsiveness. Creative marketing approaches have increased applications, particularly in rural areas of individual states. (See advertising campaign poster for Utah — “Independence Is Priceless.”) Other state loan programs have begun to replicate these marketing strategies.

Title III grantees collaborate through secondary and subcontractual relationships that extend the number and location of entry points into the state loan programs. They have used Centers for Independent Living to serve as peer counselors, assisting in loan completion and providing guidance for AT selection. Some states have authorized the use of state funds for additional administrative costs.



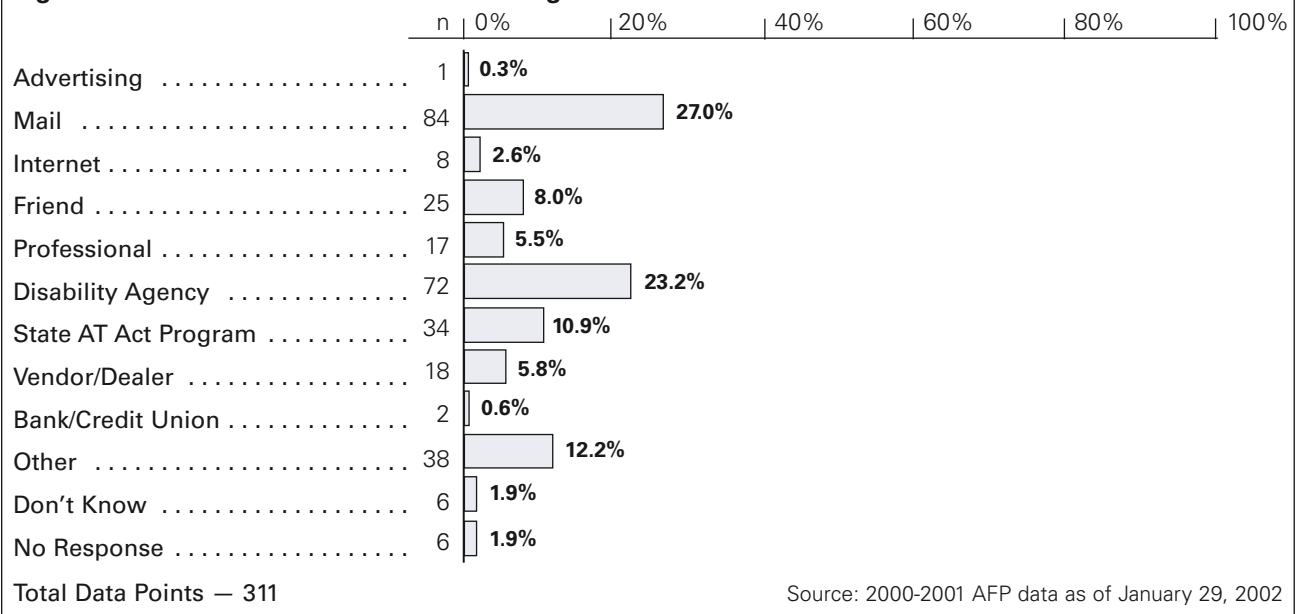
“Independence Is Priceless” Poster

Preliminary Analysis of Alternative Financing Program Data from States

This section provides information on AFP loan activity for the first program year, from October 2000 to September 2001. As delineated by the AT Act of 1998, each state was required to collect information on each individual with a disability served by the project, such as the amount of assistance, type of AT device or AT service financed through the project, type of disability, age, gender, race, ethnicity, socioeconomic status, primary language, geographic location within the state, employment status, whether the consumer is part of an underrepresented population or rural population and whether the consumer tried to secure financial support from other sources and, if so, a description of those sources. While this section summarizes many findings from this preliminary data, more complete information on each data item can be found in the figures and tables presented in this report.

The data for this report were provided by state AFPs via a Web-based outcome data and reporting system created by researchers at the University of Illinois at Chicago, Occupational Therapy Department, under a subcontract from the Alternative Financing Technical Assistance Project (AFTAP). The AFTAP Project is funded by NIDRR and operated by the Rehabilitation Engineering and Assistive Technology Society of North America (RESNA). The new Web-based database was piloted in the spring of 2001 and the data are accessible to state AFPs, consumers with disabilities, public policymakers, and other interested parties. The AFP data collection and reporting system can be found in the “Outcomes Report” section at the Web site www.resna.org/AFTAP/loan/index.html.

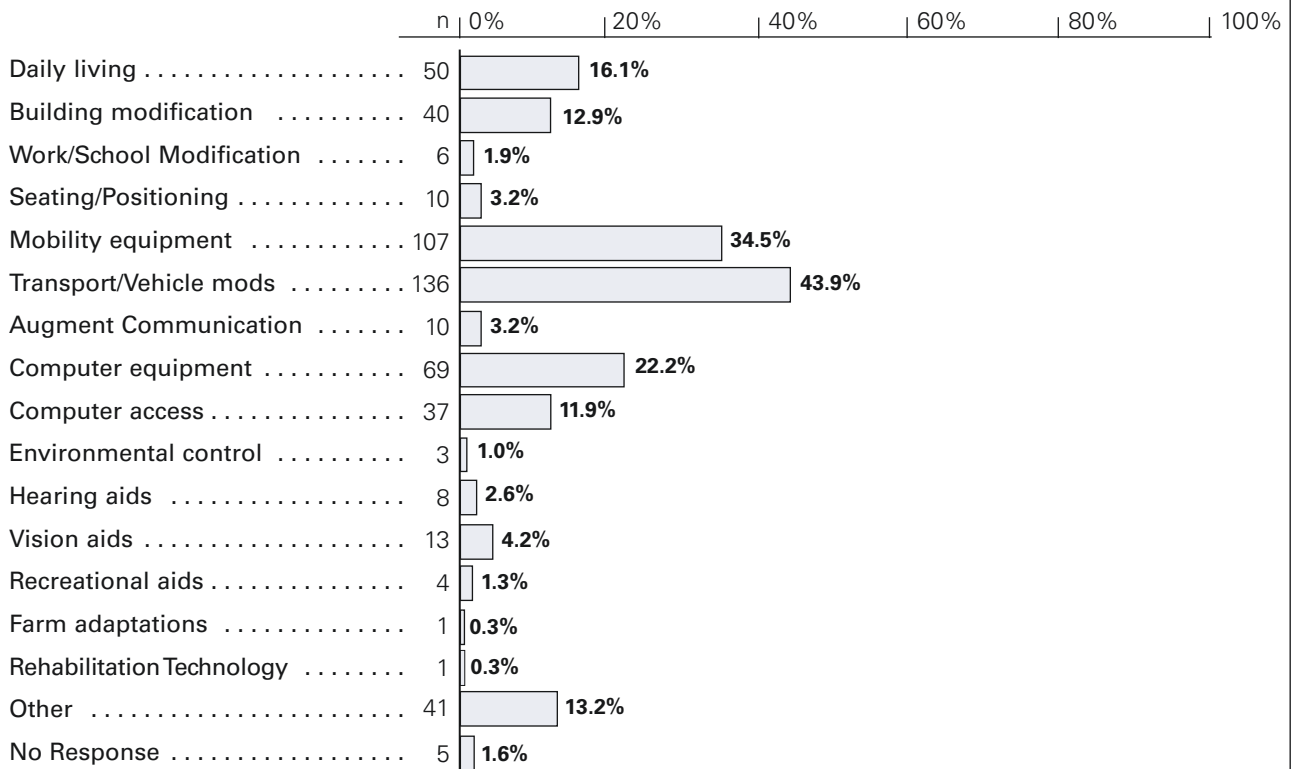
Figure 1. Information Source for Loan Program



This report provides information on the files that were completed and reported by Kansas, Maryland, Pennsylvania, Utah and Virginia. These completed files provide information on 311 out of 351 applications for loans (approximately 89 percent) that were received by the five state AFPs from October 1, 2000, until September 30, 2001. Staff at the state AFPs are working with researchers at the University of Illinois at Chicago to finalize data on the remaining applications from the data reporting period. Future reports will contain any revised numbers. Reliability checks have been conducted on the 311 files included in this report.

Overall, data from the application files demonstrate that the majority of those requesting loans for AT were the consumers themselves (76.0 percent), while the remaining 24.0 percent were representatives of the persons who were seeking loans to purchase AT. Persons with disabilities found out about AFP loans through a variety of sources, such as information received through the mail and from disability agencies and state AT Act Programs (Figure 1). Reasons for requesting loans varied considerably; the most common types of AT requested are listed here (Figure 2). Overall, 43.9 percent of loan requests were for transportation or vehicle modifications, 34.5 percent for mobility equipment (such as wheelchairs and scooters), 34.1 percent were for computer

Figure 2. AT to be Funded



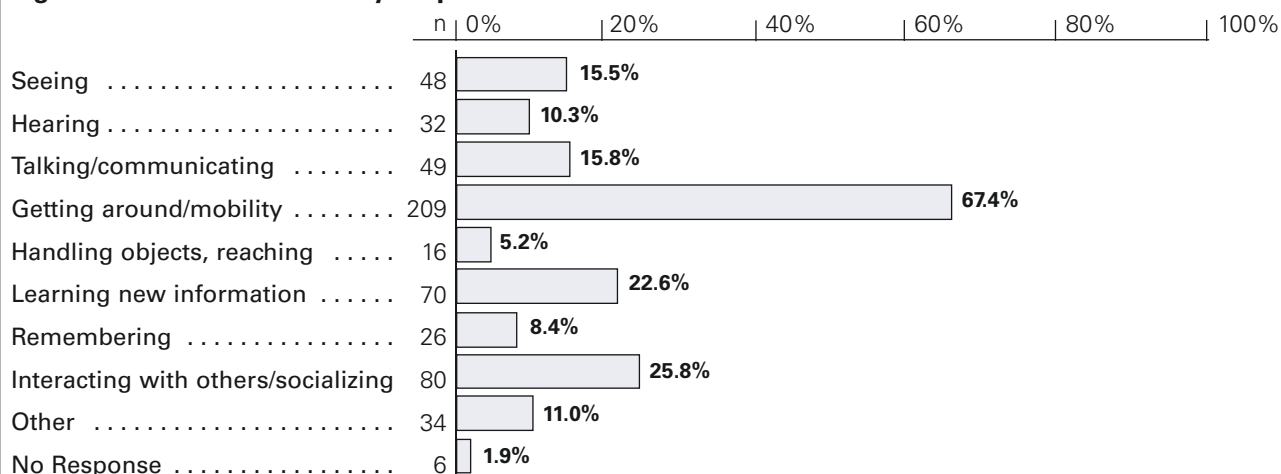
Total Data Points — 541

Denominator for percentage — 310

(Note: Clients could select multiple responses, therefore percentages will exceed 100.)

Source: 2000-2001 AFP data as of January 29, 2002

Figure 3. Abilities Affected by Requested AT



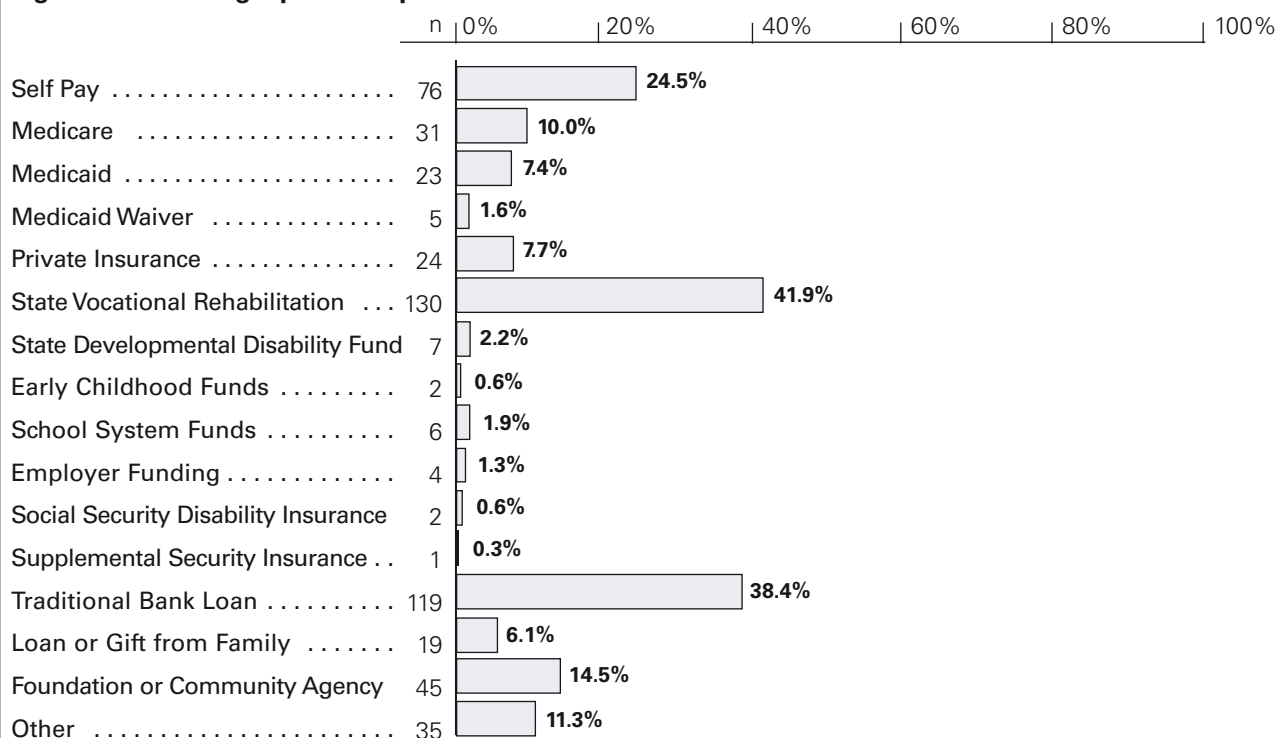
Total Data Points — 570

Source: 2000-2001 AFP data as of January 29, 2002

Denominator for percentage — 310

(Note: Clients could select multiple responses, therefore percentages will exceed 100.)

Figure 4. Financing Options Explored



Total Number of Responses — 529

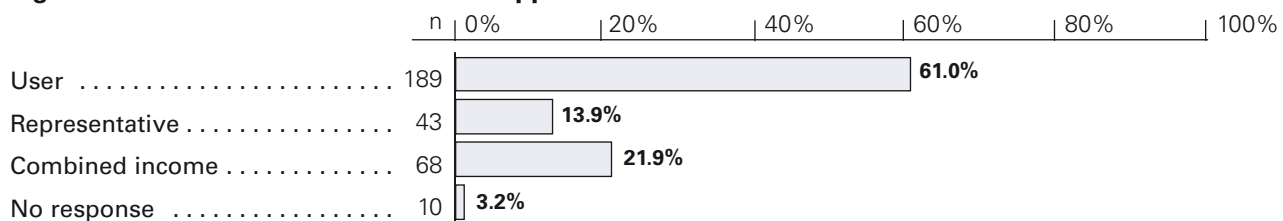
Source: 2000-2001 AFP data as of January 29, 2002

Denominator for percentage — 310

(Note: Clients could select multiple responses, therefore percentages will exceed 100.)

equipment or computer access, 16.1 percent for AT equipment for daily living, 12.9 percent for building modifications and 6.8 percent for hearing aids or vision aids. Across these types of requests, it is important to note that one loan request may be for more than one type of AT (i.e., people could check more than one category,

Figure 5. Income Level Used for Loan Application



Total Data Points — 310

Source: 2000-2001 AFP data as of January 29, 2002

Table 4. Monthly Income of Applicant

Quarter*	Minimum \$	Maximum \$	Mean \$	Standard Deviation \$
1	503	8,300	2,401	63
2	419	2,160	**	**
3	516	6,500	2,067	12
4	354	11,575	2,156	87

*Of the reporting period

**Not available at this time

Source: 2000-2001 AFP data as of January 29, 2002

Table 5. Monthly Expenses of Applicant

Quarter*	Minimum \$	Maximum \$	Mean \$	Standard Deviation \$
1	300	3,500	1,377	100
2	230	2,600	1,672	23
3	378	4,900	1,291	71
4	100	3,874	964	29

*Of the reporting period

Source: 2000-2001 AFP data as of January 29, 2002

and therefore the totals will exceed 100 percent). The AT applicant was most likely to identify mobility (67.4 percent), interacting with others (25.8 percent), learning new information (22.6 percent) and talking or communicating (15.8 percent) as the abilities that would be influenced through the acquisition of AT (Figure 3).

Applicants had explored a variety of options prior to applying for AFP loans to purchase AT (Figure 4). The most frequently explored option was a state Vocational Rehabilitation agency (41.9 percent). Other options that were investigated include the traditional bank loan (38.4 percent), paying for AT themselves (24.5 percent), foundation or community agency funding (14.5

Figure 6. Type of Loan Requested

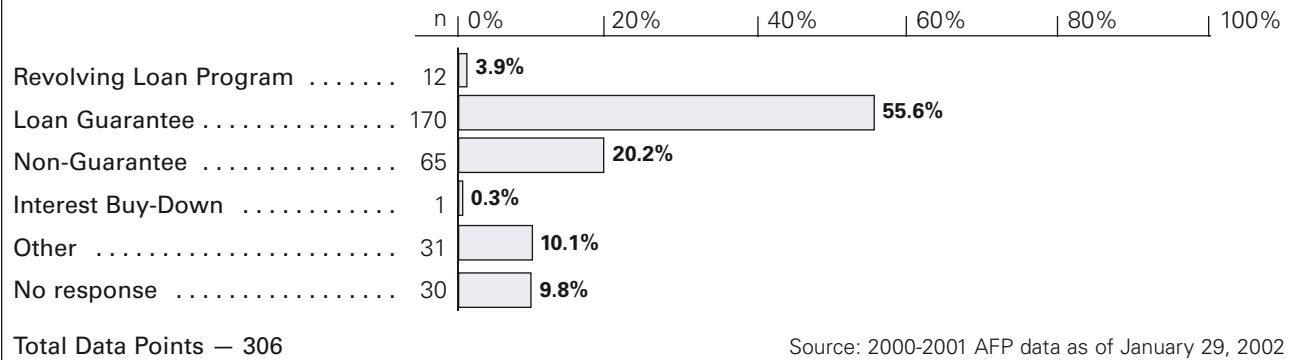
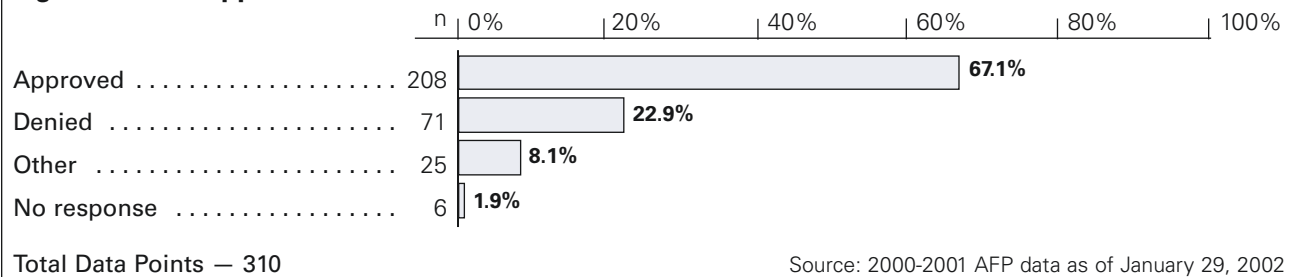


Figure 7. Loan Application Decision



percent), Medicare options (10.0 percent), Medicaid funding (7.4 percent) and private insurance (7.7 percent). Data show that 76 percent of loan applicants had explored at least one of these funding options, and 62 percent *applied* for at least one other funding source. Of those who applied for another source of funding, 91 percent received denials.

An analysis of income data collected indicates that the majority of loan requests used only the income of the AT user for the loan application (Figure 5). Average monthly income reported on the AT loan application ranged from \$2,067 to \$2,401 (Table 4). The average monthly income is defined as the income of the person who will use the AT equipment, or a representative of this person, or a combination of these two incomes. The average monthly expenses of an applicant ranged from \$964 to \$1,672 (Table 5).

The primary type of alternative financing requested (Figure 6) was a guaranteed loan (55.6 percent); other requests included non-guarantee loans (20.2 percent) and revolving loans (3.9 percent). Regarding loan application decisions, 208 (67.1 percent) were approved (Figure 7). Loan applications that were approved ranged from \$79 to \$35,000 (Table 6). Interest rates on the loans ranged from 0.03 percent to 9.9 percent (Table 7). Loan applications that were declined ranged from \$300 to \$50,000 (Table 8). Detailed data on the reasons for denials are being clarified and tabulated at this time. However, preliminary examination of the data indicate that the reasons for denials include poor credit history, insufficient income to repay loan, lack of a co-signer for loan or a combination of these factors.

Table 6. Approved Loan Amounts

Quarter*	Minimum \$	Maximum \$	Mean \$	Standard Deviation \$
1	234	30,000	9,124	595
2	100	35,000	9,254	82
3	300	34,550	12,971	448
4	79	30,000	7,500	42

* Of the reporting period

Source: 2000-2001 AFP data as of January 29, 2002

Table 7. Approved Loan Interest Rates

Quarter*	Minimum %	Maximum %	Mean %	Standard Deviation %
1	2.00	9.90	5.79	0.10
2	0.03	3.50	5.40	0.16
3	1.22	9.90	4.57	0.21
4	1.50	8.50	5.11	0.16

* Of the reporting period

Source: 2000-2001 AFP data as of January 29, 2002

Table 8. Denied Loan Amounts

Quarter*	Minimum \$	Maximum \$	Mean \$	Standard Deviation \$
1	1,142	30,000	9,431	1,500
2	300	50,000	11,257	4,545
3	300	30,000	10,298	1,875
4	746	28,981	8,085	1,610

* Of the reporting period

Source: 2000-2001 AFP data as of January 29, 2002

Demographics collected on loan requesters (Figure 8) showed that slightly more women than men applied for the loans (52.1 percent were female and 46.3 percent male). The majority of AT loan applicants were between 30 and 59 years of age (Figure 9): 24.3 percent were from 50 to 59, 22.0 percent were from 40 to 49 years of age and 16.4 percent were from 30 to 39. Youth up to 9 years of age made up 3.3 percent of the AT loan applicants, 7.9 percent were between the ages of 10 and 19, and 8.2 percent were

Figure 8. Sex of Applicant



Figure 9. Age of Applicant

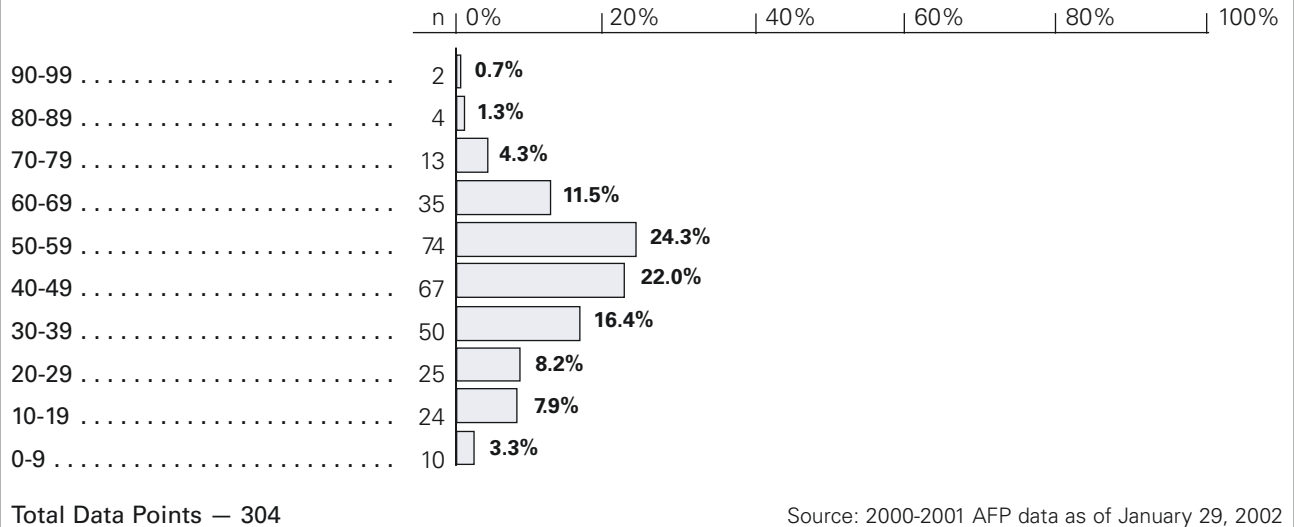
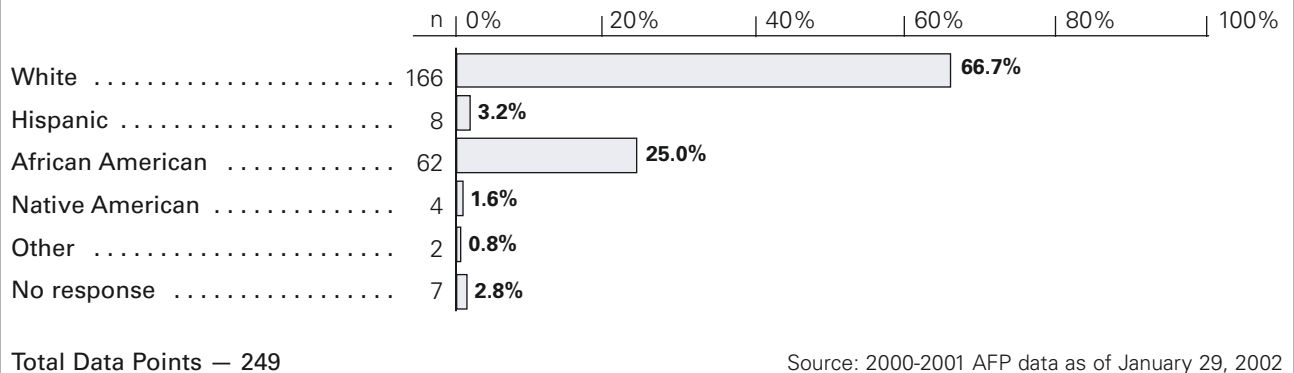


Figure 10. Race of Applicant



between the ages of 20 and 29. The oldest person for whom a loan was requested was 96 years of age, while the youngest was 3 years of age.

Other demographic information shows that 66.7 percent of AT loan applicants were white, 25.0 percent were African American, 3.2 percent were Hispanic and 1.6 percent were Native American (Figure 10). The overwhelming majority (97.4 percent) of applicants spoke English as their primary language (Figure 11).

Figure 11. Primary Language of Applicant

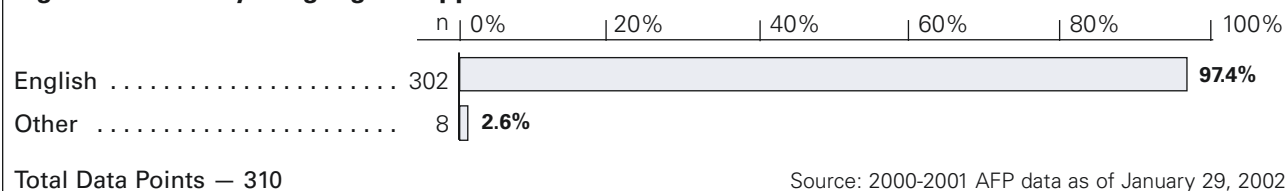


Figure 12. Employment Status of Applicant

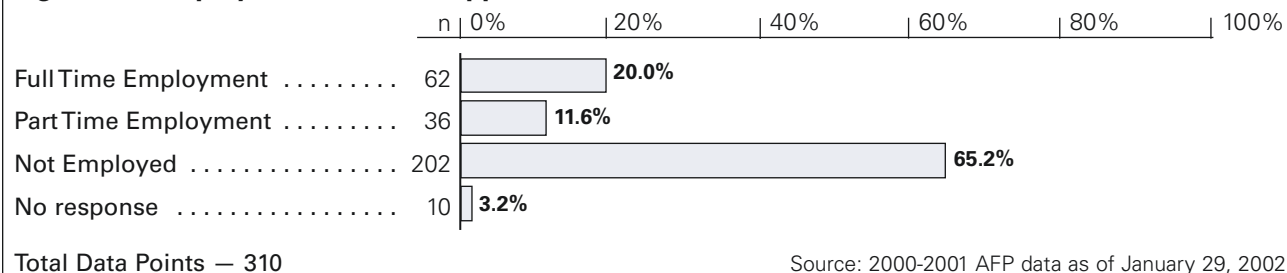
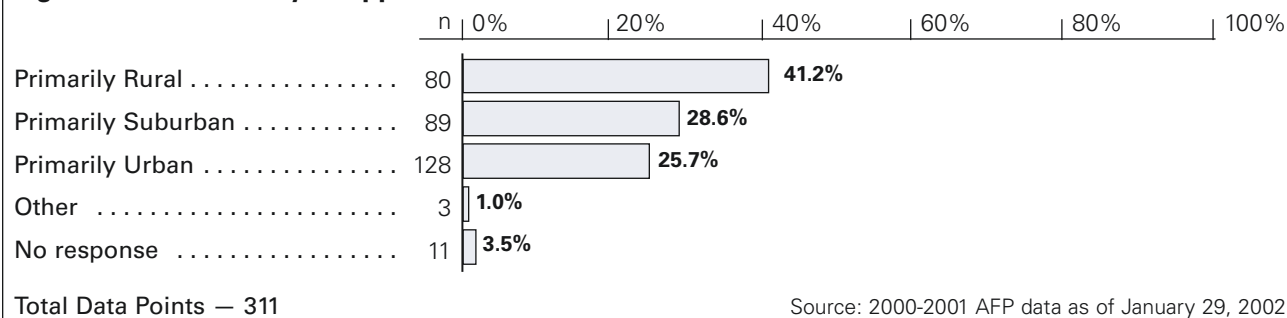


Figure 13. Community of Applicant



The data showed that 65.2 percent of AT applicants were not currently employed, 20.0 percent worked full time and 11.6 percent worked part time (Figure 12). Data also showed that 41.2 percent of AT applicants were from rural areas, 28.6 percent were from suburban areas and 25.7 percent were from urban areas (Figure 13).

Once the preliminary data have been finalized, additional analyses will be completed and made available. For more detailed information about the AFP, loan applicants, and loan recipients, please refer to the RESNA Web site at www.resna.org/AFTAP/ or to the Department of Education Web site at www.ed.gov/offices/OSERS/NIDRR.

Meeting the Needs of Individuals with Disabilities: How AFP Loans Have Helped Transform Lives in Employment, Education and Independent Living

Employment

Purchasing an Adapted Van for Work: Pennsylvania

Elizabeth, a 45-year-old woman with cerebral palsy who is unable to walk, has adapted her life to successfully work and become mobile through the use of an electric scooter. In order to transport her scooter to her place of employment, Elizabeth drove an older, adapted minivan, which continually had broken down and was past the point of repair. Although the state Office of Vocational Rehabilitation was willing to pay the cost of necessary modifications for a new van, Elizabeth would be completely responsible for buying the new vehicle. Because of a recent family crisis and related financial difficulties, Elizabeth was unable to obtain a car loan through traditional lending institutions.

Elizabeth applied for a loan through the Assistive Technology Financing Program operated by the Pennsylvania Assistive Technology Foundation (PATF). The PATF approved a \$23,600 loan for her van and Elizabeth received her newly adapted vehicle in December 2000. She now has a reliable vehicle to transport her (and her scooter) to work and to use on work-related trips. Elizabeth has transportation for personal errands, and to get to her social and recreational activities.

Building an Adaptive, Accessible Home Office: Kansas

Rick found that the Kansas Assistive Technology Cooperative (KATCO) offered a solution to his funding problem for the assistive technology that would allow him to continue working. Rick had lost the use of his legs after being severely injured in a car accident 7 years ago. Rick, who writes computer code used in aeronautics manufacturing plants, needed to convert part of his garage into a home office that would accommodate his disability. He also needed to purchase a \$4,000 device that would allow him to stand independently as he worked in order to strengthen his weakening bones. United Cerebral Palsy offered to pay one-half his cost if he could find a funding partner. Through KATCO, Rick received a low-interest loan for the technology and home modifications. "KATCO was the only resource I found that could help me," Rick said. "If it weren't for them, I couldn't do what I've done with my rehab."

Using Computer Technology to Improve Job Performance: Maryland

There are few settings where legible handwriting is prized more highly than in the classroom. Cynthia, an educational assistant at an elementary school in Baltimore, learned that lesson well as she struggled to keep a legible classroom log. Cynthia has cerebral palsy which makes her writing difficult to read. For a time, she either wrote her own log notes (which only a few of her fellow staff could decipher) or asked colleagues to take dictation (an inconvenience for both Cynthia and her coworkers).

“I didn’t want an administrator or a parent saying to my principal, ‘You have a teacher who turns in reports like that?’” Cynthia related, “But I needed to write independently and not rely on other teachers all the time.”

The school’s computer instructor gave Cynthia some lessons and she began using a desktop to produce her log. But while the computer was stationary, Cynthia was not; she rotated among a number of classrooms and needed to write some classroom notes at home as well. It just was not practical to work on a computer that she could not carry with her.

The brochure she received in the mail from Maryland’s Assistive Technology Guaranteed Loan Program gave Cynthia an idea. Why not apply for a loan to buy a laptop computer? She was approved for a loan and now carries her laptop wherever she goes. Not only are her classroom log notes legible, but she produces her own greeting cards as well.

“I’m very happy I tried the loan program,” reported Cynthia. “With my laptop, I can now do things I thought I could never do. Now I’m introducing other people to the loan program.”

Adapting a Home to Meet the Needs of a Self-Employed Individual: Pennsylvania

Tom needed to make significant modifications to his home office so he could continue to run his small business. Although Tom gained approval for a \$24,000 grant from the state of Pennsylvania, through a program that promotes employment of people with disabilities, the state program would provide reimbursement only after the home modifications were made. Tom did not have the \$24,000 necessary to start and complete the needed modifications.

Through the Assistive Technology Financing Program operated by the Pennsylvania Assistive Technology Foundation (PATF), Tom and his wife Carolyn were able to borrow the \$24,000 to make the modifications, which he will pay back with the state grant money once his home modifications are completed.

Overcoming a Vision Problem and Gaining Employment: Virginia

Betty, of southern Virginia, who is considered to be “legally blind,” needed a pair of special bi-optic lenses to be able to see clearly and drive to a job every day. Betty was able to obtain a job, in a city 30 miles away from her home, after Virginia’s Assistive Technology Loan Fund Authority (ATLFA) provided her with a loan to buy the special lenses.

Betty has severe myopia, a nearsighted condition that prevents her from seeing clearly in the distance—even with glasses or contacts. With her vision problems, Betty was unable to read signs at a distance. Virginia’s Department of Motor Vehicles requires that a driver pass a vision test, including reading signs at a distance, to obtain a driver’s license. After receiving training, counseling and a computer from the Department for the Blind and Visually Impaired, Betty still was in need of assistive technology to pass the driver’s test. She learned about ATLFA from the Piedmont Independent Living Center in Danville.

“I can’t work if I don’t have transportation. The town I live in doesn’t have public transportation, so I need my driver’s license,” Betty said. After receiving a low-interest loan from ATLFA, Betty went to a Low Vision Clinic, was fitted with contact lenses, and purchased the special bi-optic lenses and the necessary fittings. She now has a job and new independence in her life. “I can’t thank ATLFA enough for all the help I received! I hope everyone learns about the ATLFA,” said Betty.

Education

Learning to Communicate: Virginia

Jack was having a very difficult time in kindergarten because of his verbal apraxia, a neurological condition which severely limits a child’s ability to express himself verbally. Children who have apraxia can listen and comprehend normally, but usually communicate primarily through non-verbal means, such as pointing at objects.

To help Jack learn to talk, specialists at the Kluge Children’s Center in Virginia recommended to his parents, John and Melinda, that they purchase a DynaMyte augmentative communication device from DynaVox. The device costs \$6,000. Jack’s school had offered to rent a less expensive device for him, but John and Melinda did not believe it would meet Jack’s needs. The parents decided to take out a loan and purchase the DynaMyte.

Unfortunately, the family had some hard times several years before, and could not obtain a conventional loan. They then applied to Virginia’s Assistive Technology Loan Fund Authority (ATLFA) and were approved for a guaranteed loan with a low interest rate. After Jack received his communication device, his communication at school and home improved greatly. But his story does not end there. Eventually, through hard work and the efforts of a new teacher and therapist,

Accessibility to Homes and Independent Living

Jack learned to communicate without the device. “On Christmas Eve, Jack said ‘Mommy’ for the first time. It was the greatest Christmas present I ever received,” Melinda says.

Making Modifications that Allow a Toddler to Come Home: Maryland

For Karen and Kenneth, putting an accessible addition on their home to accommodate their 3-year-old son Kenny, who remains in a coma after a near drowning accident, would have been impossible without the aid of Maryland’s Assistive Technology Guaranteed Loan Program.

The family’s adversity began when Karen received a call at work from her husband after Kenny fell into a neighbor’s pool on August 16, 2000, and was rushed to a nearby hospital. Kenny then was transported by helicopter to Johns Hopkins Hospital in Baltimore. During his 8 months at the hospital, where he had a tracheotomy and a feeding tube inserted, his mother remained by his side day and night. On mostly unpaid leave from her employer, Karen and her family experienced severe financial burdens. “We’d always had good credit before, but the time I was off work changed all that,” Karen said.

Besides their needing to add accessibility features to their house to accommodate Kenny, the family wanted to build an addition with a bedroom and bathroom with enough space for the nurses who would be caring for Kenny when he came home. But the family’s credit was not as good as it once had been, and they did not qualify for a conventional loan.

That’s when a neighbor showed Karen an article about Maryland’s Assistive Technology Guaranteed Loan Program. “I couldn’t believe it. It was such a blessing. We got a loan and were able to put the addition on the house. It’s accessible, and the rest of the family has privacy when the nurses are here,” Karen said. “Without this program, there’s no way Kenny could have come home.”

Since Kenny returned home, he has grown more responsive and regained some mobility. On May 25, 2001, he started to breathe on his own...in his own home.

Continuing to Live Independently with Post-Polio Syndrome: Kansas

Mary spent her career doing what she loved: teaching children with learning disabilities. But as a childhood survivor of polio, the illness Mary once had conquered began returning with a vengeance when she was 51. Six years after experiencing this post-polio syndrome, severe fatigue and muscular weakness forced Mary to retire from her teaching job in Lawrence, Kansas.

Her left arm no longer functioned and she was in need of a motorized wheelchair if she wanted to continue living independently.

Mary needed help to buy the \$5,000 wheelchair, as its price was more than her fixed income could handle. The United Cerebral Palsy Association offered \$2,500 toward the chair if Mary could find matching funds. After calling 50 organizations, and being turned down, Mary was stymied. Then in August 2000 she learned of the Kansas Assistive Technology Cooperative (KATCO), which offered a low-interest loan program that it started with a credit union. Mary soon purchased her wheelchair and continues to live independently. "It gives you a sense of dignity because it's a loan," Mary said. "I'm paying for half."

Gaining Independence and Contributing to the Community: Utah

A two-year journey to purchase an accessible van ended successfully this Fall for Lopeti after she was able to secure a loan from the Utah Assistive Technology Foundation (UATF). "A wheelchair friendly and accessible van allows me to live life to the fullest, and contribute to society once again," Lopeti said.

The van will allow Lopeti to get to her many doctor's appointments, physical therapy appointments, and community service meetings each month. In the past, Lopeti had relied on Salt Lake City's public transportation systems, which often could not pick her up in her wheelchair and she missed many appointments and meetings. With her van, Lopeti now can help others as a member of the Citizens for Accessible Transportation Committee, the Governors Council on Disabled Persons of Utah, and the Disability Law Center Board of Directors, all of which she either has been elected or named to within the past year. "I have always known that I have so very much to offer my community and society as a whole if only I were able to get this transportation issue taken care of," Lopeti said.

Providing a Family with a Loan to Help Their Young Son: Utah

Alexander is a young boy with multiple disabilities. Alexander, who has a cranial cyst, seizures, low muscle tone and hearing and vision loss, uses a specialized wheelchair, and the family needed a wheelchair van with a lift to transport him to his many medical appointments. His parents, Jeff and Catherine, were looking for help in obtaining a low-interest loan for the van. Through the UATF, the family was able to obtain a 6-year loan to purchase the van. Catherine said the new van has made a big difference in their lives and they are now better able to meet the needs of their son. "UATF has been so wonderful to work with. I really appreciated UATF's patience with all my questions about the loan process. It's great to meet staff who care about children with disabilities and who want to help us meet the needs of our son Alexander," Katherine said.

Vertical line

Alternative Financing Programs

Fiscal Year 2000

(funded under Title III, Assistive Technology Act of 1998)

KANSAS

Kansas Assistive Technology Cooperative
625 Merchant, Suite 210
Emporia, KS 66801
Contact: E. Basil Kessler
Phone: 620/341-9002
E-mail: ebk@birch.net

MARYLAND

Assistive Technology Guaranteed Loan Program
Maryland Technology Assistance Program
2301 Argonne Drive, Room T-17
Baltimore, MD 21218
Contact: Michael Dalto, Tony Rice
Phone: 410/554-9233 (Voice/TDD)
Phone: 800/832-4827 (Voice/TDD)
E-mail: loans@mdtap.org
Web site: www.mdtap.org

MISSOURI

Show Me Loans
Missouri Assistive Technology Council
4731 South Cochise, Suite 114
Independence, MO 64055-6975
Contact: Marty Exline
Phone: 816/350-5281 (Voice)
Phone: 816/373-9315 (TTY)
E-mail: mexline@swbell.net

PENNSYLVANIA

Pennsylvania's Assistive Technology Financing Program
Pennsylvania's AT Foundation
102 Pickering Way, Suite 200
Exton, PA 19341
Contact: Pat Verdon
Phone: 888/744-1938 (Voice, In state)
Phone: 484/875-3066 (Voice)
Phone: 877/693-7271 (TTY)
E-mail: PATF@amexcenters.com
Web site: www.assistive-technology4pa.org

UTAH

Alternative Financing Program
Utah Assistive Technology Foundation
Center for Persons with Disabilities
6835 Old Main Hill
Logan, UT 84322
Contact: Marilyn Hammond
Phone: 800/524-5152 (National)
Phone: 435/797-3811 (Voice)
Phone: 435/797-7089 (TTY)
E-mail: Uatf@cpd2.usu.edu

VIRGINIA

Assistive Technology Loan Fund Authority
P.O. Box K-091
Richmond, VA 23288-0091
Contact: Mike Scione
Phone: 804/662-9000
E-mail: loanfund@erols.com
Web site: www.atlfa.org

