

Assistive Technology Loan Fund**FY2002 Request: \$100,000**
Reference No: 33944**AP/AL:** Appropriation
Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2001 - 06/30/2002**Project Type:** Health and Safety
Contact: Mark Dale
Contact Phone: (907)465-6926**Brief Summary and Statement of Need:**

State funds are requested to supplement the federal funds in the Assistive Technology Loan Fund (ATLF). This will allow the ATLF to continue its collaboration with the banking partner(s) providing assistance to individuals with disabilities in need of loans for assistive technology. The ATLF was created to allow individuals with disabilities greater access to assistive technology devices. The equipment or device purchased enables the individual to maintain employment or to live more independently.

Funding:	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
Gen Fund	\$100,000						\$100,000
Total:	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:**Project Description/Justification:**

The ATLF was established in 1997 with the enactment of AS 23.15.125. This program represents a very effective means for state government and the private sector to collaborate and provide economic stimulation as well as assistance to individuals with disabilities.

The Division found the area of greatest need relating to assistive technology was funding. Credit financing is an avenue not frequently available to individuals with disabilities due to low household income levels. The ATLF provides a funding alternative that supports consumer independence in the form of low interest guaranteed loans.

The Division initially established the fund with \$291,630 in federal receipts from the Assistive Technology federal grant award received. The program is set up to allow loans from a commercial bank to be made to a qualified individual for which the ATLF can be used to subsidize the interest rate making the loan affordable for the borrower. The ATLF can also be used to guarantee up to 90% of the loan.

The program is available to individuals with disabilities or their representatives. The individuals must demonstrate that the funding will be used to purchase needed assistive technology that has the potential to improve that individual's quality of life, independence, or the ability to function productively.

There are currently 17 outstanding loans. The average loan is \$19,159. Of the outstanding loans, the average term is 7.6 years. When the ATLF is used to subsidize or "buy-down" the interest rate, a warrant is issued directly to the bank. The

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amount of a loan guarantee is then "set-aside" or "restricted" in the ATLF. The borrower makes payments on the loan directly to the bank. Quarterly loan reports are received from the bank and used to lower the restriction so that the balance is then available for a new borrower. On 08/04/2000, \$34,733 was available in the ATLF. Although funds are released as payments are made, it is not in sufficient amounts to continue making loans in the amounts needed.

The success of this program is only beginning to be revealed. As required by statute, an Assistive Technology Loan Fund Committee has established the guidelines and loan criteria. They determined that the fund could be used for maximum loans of \$40,000. However requests have been received that exceed this amount. The Committee lowered the minimum loan amount to \$2,500 in order to make the fund usable for smaller purchases. This also widens the potential customer base for the fund and will increase its usage. It is anticipated that at the current rate of usage, the fund will be exhausted with 1.8 more average sized loans within three months.