ASSISTIVE TECHNOLOGY LENDING

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>> JULISA CULLY: Welcome, everyone. Hi, Tanisha. My name is Julisa Cully and I'm from the CDFI. And the topic for today's meeting is assistive technology technology lending. Before we get started, I would like to give you a few tips on how to use the zoom platform. In order to minimize audio feedback, we will mute everyone except the presenters. We would like to make the discussion as interactive as possible. At each subtopic presentation, there will be some time afterwards with an opportunity for a discussion related to that topic. So if you would like to chime into that discussion, please feel free to unmute yourself at that time and chime in via the audio.

If you have any issues with the connectivity to the audio of your computer, the phone number to call in is listed in the chat box. There is also an option to raise your hand using the Zoom platform and you would like to speak later in the conversation, you can raise your hand and we can do that.

In addition, there's a chat box. If you are not connected to the audio or would prefer to type in your questions or comments or posing them verbally, please feel free to do so. Questions relevant at hand will be addressed part of the presentation. We're also setting aside 15-20 minutes to address other questions. If you look in the chat box. Link to the closed-captioning is listed there. If you have any questions, please feel free to type it in the chat box and I'll do my best to resolve the issue. Jack, go ahead.

>> JACK BRUMMEL: Okay. Thank you, Julisa and thank you for joining us today. We're going to talk about assistive technology lending. So if you pull the agenda up, you'll see the order that we are mostly going to proceed. I think the first two items are going to be relatively quick discussions. I think we'll put those out with our excerpts and give an opportunity for discussion. The third bullet on loan policy, and I think the 6th bullet on best practices, I think we'll take those together in a row, because I think they fit better, and we've got some subsequent slides to show you during that.

So let's get started with the first one.

>> Jack. I'm sorry I joined late. Did you already introduce the team?

>> JACK BRUMMEL: We have not other than Julisa going through the protocol. Did you want to go ahead?

>> I'm sorry. Yeah, I'm sorry. I was having a little bit of difficulty connecting. This is Tanisha Washington with DCT partners and I'm the Program Manager for access for all training and I want to take a moment on half welcome, everyone, to the call and we appreciate your time to participate in this training. It is the second phase of the access for all training that we are doing in conjunction with the Department of Treasury. The first training having been in-person training location in various locations. And then now we're doing the community of practice discussion that you're participating in, and the third phase being direct technical assistance. We're joined by my colleague, Jack Brummel who is speaking right now and other subject matter experts who are delivering the training. So I'll turn the microphone back over to Jack. Again, thank you for your time.

>> JACK BRUMMEL: Thanks, Tanisha, when we sent out the agenda, we talked about and gave this list to the team members that are going to be taking part. And on the first issue, and the second issue, these are relatively short points, but Susan, you wanted to talk about that and then we'll have Danny address this as well and hoping helping you understand what AT is. Susan, go ahead.

>> SUSAN TACHAU: Thank you. Can you hear me okay?

>> JACK BRUMMEL: Yes.

>> SUSAN TACHAU: So some of you who attended the in-person training will have a good overview about what is assistive technology, otherwise known as AT. But without going into the very long definition from the Federal Government, assistive technology can be captured simply by saying it is any device or service that helps a person with a disability, including seniors do the things they want to do. So it is broader than the medical model technology, which often under MediCare rules or devices, such as wheelchairs, scooters, but it is broader to include anything that can help you do what it is you want to do. So it's defined by you, the individual, as opposed to a system.

So, it would mean an adaptive vehicle. So the lower floor ramp and tie-downs that can help a wheelchair user travel safely around. It can include a whole modification, so ramps or widen doorways, lower kitchen counters, smart home devices that can help, you know, by using your voice or pushing a button, turning on lights, having your refrigerator talk at you about what is in the refrigerator and what's in the menu. And it can include air mattresses on your bed, a specialized bed, so if you have MS or spinal cord injury and you can't move independently, you've got air flowing around so it prevents you from getting bedsores, to even an iBot Rhoomba that can help you clean the floor. So it's looking at any device, whether it's generic, meaning just off the shelf. Or specialized, customized that helps you do what it is you need to do.

Danny, from your experience, are there -- certainly, some of the century things like hearing aid, eyeglasses, also fall into assistive technology. But Danny, any other suggestions?

>> DANNY HOUSLEY: Well, I want to not restate what's been already said, but just to reinforce. One of the reasons why that definition is so broad is a protection for people with disabilities. You don't have to worry about something qualifying or being disqualified as an assistive technology. I think if there is confusion about what may qualify, you know, touching base with your Independent Living Center, your assistive technology program, they can help provide some of that feedback and maybe some trainings as well just to kind of expand your perception of what does and doesn't count. But I think your point of its anything that increases your independence is assistive technology. Smartphones are a number one thing. It's my number one piece of assistive technology. You know, it's got the screen reader built

into it. Object identification. I can read things. Zoom in from a distance. Do color overlays. You know, a mobile phone can take the place of several individual pieces of technology. But it's not one of those things that, you know, somebody may not look at a cell phone and automatically think that's assistive technology. Same thing with tablet, a computer, or a smart speaker that has a lot of integrations where you can do lights and thermostat, door locks, and all kinds of things so you can control something with your voice or an app on your phone.

Yeah. So that's the wonderful world of assistive technology is sometimes thinking outside the box, and being a little bit creative when it comes to finding those solutions.

>> Thank you.

>> Go ahead.

>> That's really brought up another issue of thinking outside of the box. We have several people who are members of our staff and close partners who have children who have autism. And two items that frequently come our way are fences, so that families can get together and their children can Rome freely and safely. And also, weighted blankets. So I think that Danny's point of looking at who you are and trying to figure out what it is you want to do is a good guide.

>> Thanks, Susan and Danny. And the reason why we phrase this particularly the way we did is lending staff may have some confusion. And it will be incumbent on you and working with them to help them understand that the broadest definition is the one that focuses on what the client needs and what the person with disability says will improve their functionality.

I'm going to go right into the direct lending versus partnership and then we'll pause for questions.

Danny, your program does direct lending. Is that correct?

>> DANNY HOUSLEY: We do. So we have a history of doing both. When our program started, it was a partnership. It was a guaranteed loan program. And then we found it was better for us, in our particular state to do direct lending. And we were able to do that through some buy-in from some local organizations and from the state. And then I believe they got some federal funds. They started this well before I started. But we found that being able to have that direct connection with the consumer was important. Because it allowed us more flexibility with working with them to

determine what was going to work well for them and how we can finance it.

>> And we're going distinguish this from partnership loan. But I wanted to let David talk as well. David, your program is a relatively new one, and you're a large organization. Do you want to talk about your doing direct lending as well. Are you not?

>> DAVID BECK: Yes, I'm David Beck and I'm with the center for community help which is CDFI which includes two credit unions and a loan fund that is all CDFI. So we run this program out of the self-help credit union and focusing on North Carolina branches in North Carolina. And we are at this point a full service credit union. So we do very small loans. That signature loan as they call them up to our largest loan is $40 million for real estate development. And we have, at this point, 170,000 credit union members nationwide and 77,000 in North Carolina.

So we began our assistive technology financing program when we learned that North Carolina didn't have any such financing program in existence. And that there are also federal grant funds that might help us start it up. So I think my understanding is we're fairly unique in the AT financing world in that we came through as a lender more broadly, and then we have added assistive technology financing to our loan offerings.

And we do this in close partnership with the North Carolina assistive technology program, the state organization that helps people with persons with disabilities find the appropriate device for their disability.

So our loan originally, we didn't get the first round of granting. And we started doing loans, we started marketing assistive technology loans at our just normal interest rate, which varies broadly depending on what the loan is for and what the credit worthiness of the borrower is. But when we got the federal financing grant program grant in 2017, then we decided to use that funding to help create a fund where we make all assistive technology loans across-the-board at 4% interest rate, whether it's a hearing aid, vehicle modification or home fit or whatever have you and understanding our standards and contracted with the NCAT program to help compensate them for their referral work and expertise. And we did that because we wanted to make it easy for borrowers and also easier for our staff to understand the availability of this loan product and understand that it was at a discounted rate.

And, so, I don't know if that helps, Jack. I can go further.

>> Thank you. So, the direct -- so Danny and David's program does direct lending. North access fund, they're on the line. And I think Natalie out of Oklahoma has some direct lending and there's some guarantee loans. And Susan, your program was historically guaranteed loans as well. And now you have some direct lending. Do you want to talk about that?

>> SUSAN TACHAU: Sure. So we actually have 3 loan products. We first started off with partnership loans, which means we were working as first an alternative financing program and then CDFI. And this holds true today as a CDFI. We work with 3 larger banks that they've got the loan capital and we just don't have enough loan capital.

So we have a contract with 3 banks so that if someone is and we'll talk about credit worthiness in a little bit. But we can use their capital and it's technically their loan, but it's our underwriting standards, and for assistive technology, which they don't traditionally extend loans for. But that allows them to also get some CRA credit, because the bulk like with CDFI, the bulk of our borrowers are low-income. So one of our banks is a large regional multistate program. And this helps them.

One is a, you know, regional. And one is even smaller than much of a region. It's more of a community, small community bank. But we're using their loan capital and then the last year, it was a little over $2 million of their money. If someone has -- and then we buy down all of those loans, one time principal. So those banks will do several things. One is not market to these borrowers so there is no "Deeper relationship." We don't want credit cards going out to these people or other products until they pay off the loan.

And, secondly,, we want there to be no fees. So no closing cost origination fees, document fees, early pay off fees. No fees whatsoever. And then thirdly, we want to keep the interest rate low. So it's 3.75 for the life of the loan. So if people hear the concept of interest buy down, that's what it means. And, so, all of those partnership loans. And then within that category, we have two. One traditional where we're not having to back it. We've just done the underwriting and it's for assistive technology and the bulk of those loans are unsecured.

But then some people, about a third of our loans, they fall outside of any type of traditional credit worthiness, including having no credit or very thin credit. And we will back those loans dollars for dollar or 50 cents on the dollar and we can talk more about that. But we also have the direct lending of but I think, Jack, more than $2 million of our dollars are partnership loans.

>> JACK BRUMMEL: Yeah. Good. And, so, that the point of discussing this is to let people know there are different models out there, different ways of getting loans out the door to help people get the assistive technology they need. And we are happy to explore the different models with people that are interested in turning to assistive technology lending. Let's pause here for discussion and question. There may be others on the call that I have mentioned earlier that have experience doing AT lending, if they want to add to the discussion. That would be great. And also any question that is any participants have about what we said so far about understanding, making sure lending staff understand what AT is so they're not unnecessarily restricting people from getting the loan they need. Or, you know, the difference between direct lending and partnership loans.

Does anybody have anything to add? Emerson from northwest access?

>> Yeah, this is David Beck. I have a question for Susan if nobody else has questions.

>> JACK BRUMMEL: Go ahead.

>> DAVID BECK: I'm curious, so you're partnering with 3 different banks on your partnership loans. And I'm just curious how or how come you didn't end up going with one or how that developed?

>> SUSAN TACHAU: That's a good question. We decided to go for 3 for couple of reasons. One is we didn't want to be vulnerable in case one of the banks, you know, our original bank which is a very large regional one, if they wanted to pull out and leave us in a vulnerable position and second, we went with others is that we developed relationships within our community. And people who have disabilities are members, or senior members of the management. And they sought out us. And they would agree to the same deal of 3.75 plus the partnership. I mean, plus you know, the low interest rate. And, so, it gives us options for getting money out quickly through our door. So, you know, I don't know how -- if we were not a CDFI, we would not have access to much capital at all. But being a CDFI and then having these other banks come to us helps them with their reviews, with both the OCC and the FDIC.

>> Okay. Thank you. And I just want to note, I see Adrienne is on the call with credit union out of El Paso. So

Adrienne, David has a model of AT lending, and this is an issue for you that you were interested in. You should, you know, we're happy to connect you with David to learn more about how his credit union has done this work.

We're going to move on now. I don't see any --

>> Hi, Jack. This is Emerson. Sorry for not speaking earlier. I had two mutes on and I only undid one. For us, we sought out a bank partnership when we first started out. We're exclusively a direct lender. Our founder and first Executive Director Francis Pernell sought similar relationship in Pennsylvania and we were unsuccessful, so we moved forward with being a direct lender. So on my end, there might come a point where we might seek the partnerships out again in the future, kind of speaking to what Susan was saying about capital constraints with being a direct lender.

And I'm curious if folks have recently developed those partnerships, and if banks are still willing to engage in those partnerships, given the changes, you know, potential changes in the CRA or just at different climate around banking than there was maybe when Pennsylvania was founded.

>> Okay.

>> JACK BRUMMEL: Thank you. I see from Anna, Anna, I'm just looking for your -- you're working on EQ2 agreement now, Anna? That's related to more related to capitalization. Right? Rather than their securing or you're guaranteeing a loan that they make.

>> Jack?

>> JACK BRUMMEL: Yes, go ahead.

>> I was going to say, if I'm understanding Emerson's question correctly, it was about the willingness of banks to partner in the way in this environment the way they are with Susan?

>> JACK BRUMMEL: Yes.

>> DAVID BECK: Maybe it's instructive history. But way before we were involved in this, there was a non-profit in Charlotte that had a relationship with Bank of America. And I think it's still Nations Bank at that point. But that partnership dissolved when Bank of America and Nation's bank merged and Bank of America decided they needed uniformed products across the market and this is not going to meet the qualification. And like Susan said, having multiple partnerships make sense for that

reason. And I wouldn't expect this is a big enough item to really drive their CRA requirements or whatever they may be. I would think it's more on personal relationships.

But I would also, not to be biased towards credit unions, but I think maybe that's another angle to think about if you can get credit union partners with broad field of membership than you can sort of serve people that way. And odds are that credit union is not going to change dramatically or get bought out and, so, that will be a stable partnership.

>> David? This is Susan. And you brought up an extremely good point. And we tried to work with credit unions and went through the Pennsylvania credit union foundation. And it is finding that a credit union with a broad membership so we could have the breadth across Pennsylvania that we needed. And it's also true that it is around relationships. But instead of getting EQ2 agreements, the way we're accessing capital is through those partnerships. And one bank is a fairly new bank. And you know, it was solidified when one of their Senior Vice President, their daughter as ALS and needed to buy an adaptive vehicle and knew about our program. And it worked so well for them in terms of making those connections around vehicle modifications vendor and being able to process this quickly without all of the red tape that some of the banks are having with adaptive vehicles.

I mean, we're not alone. Adaptive vehicles are not easy for many banks to finance. And you know, our programs know how to do it. And we were able to do it quickly because of this partnership.

>> Good. Okay. Thanks. That's been a good discussion. Let's move on now to loan policies. This is a big topic. We may need to spend a bit of time into that and we are going to, as I've mentioned at the start, we are going to also talk about the best practices in the application and review process and we're going to look at a document that Susan has provided that they use in making decisions around lending.

So let's start on the loan policies. Susan, let's start with you and then we'll invite Danny and David in, and then we'll move to some discussion. Go ahead, Susan.

>> This is Tracy Beck. I work with Susan. She asked me to step in for a few minutes and just talk about our processes and policies. And I was just making notes here. You know, what we do is a very narrow niche of funding assistive technology. But I think maybe more importantly or most importantly, besides the funding piece, all of our staff here is very well-educated on what

other alternative funding is out there for assistive technology. And how that would work for a potential borrower.

So, we stay up on the regulations for Medicaid, MediCare, vocational rehabilitation, and other grant funding sources. So that we are able to educate people who contact us or people who submit applications so that they are getting the most robust and accurate information that they can -- so they can make an informed decision.

And we're not saying you need to go to another funding source instead of taking out a loan, but we just want to make sure people have all of the information necessary.

And, so, I would say in addition to doing our loan products information and assistance, this is one of the most important things we do here at PATF.

We have two loan products, or three loan products, actually, Susan mentioned. We have our mini loan product with the direct lender up to $2,000. We are registered by the Department of Banking to extend those loans. And we have a small loan committee internally that reviews those loan applications.

For our larger loans with low interest, we go up to $30,000 dollars and 3.75% and if we have to ensure the bank it is safe for them to lend out their money, we can guarantee loans up to $35,000 and both of those low interest products are at 3.75%. And both the mini loan, the 0% loan, and the 3.75% loan are no fees.

So there are no other fees associated with these applications. So you know, if someone needs their credit pulled, we are not charging a fee for that. And part of that is philosophical. So with our mini loan product, 0%, 90% of the people who take advantage of that program are receiving supplemental security income, which is less than $800 a month. And we know that if we charge them $25, $20 for a credit report, that could be one loan payment.

And, really, frankly, many people just can't afford that extra cost associated with processing applications. So that's why we do fundraising, and we absorb all of those costs.

>> Tracy, this is Jack. I'm looking at the screen in front of me, and I'm noticing on the loan amount it's $3,000 loan. And I'm looking at the term. Those are two points where your program I was associated with, the northwest access fund, we may have different, for our loan terms, I think our longest loan was 5

years. However, now for home mod, it may have gone up. Can you talk about your loan term? That's a 10-year loan, right?

>> Sure. That is the maximum loan term. So for home modifications, depending on what the person can afford, because we do take that into consideration as well, we will go out 10 years. And for home modifications that are more than $10,000, that is treated as a home equity loan.

So the bank in that case would take second position. And in this case, if this person's loan was actually guaranteed by our Board of directors, and I'll explain a little bit about this form. But the bank, our largest bank in this case did take second position on his mortgage. And the only other product where we place a lien are modified vehicles. So everything else, all of our loan products are unsecured loans.

>> They mostly are below that. You've got $30,000 loan here. But do you, otherwise, have a lower loan cap?

>> Well, our loan cap goes up to $60,000. And I can tell you that most adaptive vehicles are even more than $60,000. We just met with a dealership last week, and they're quite expensive, along with the modification to the vehicle. So back to my first point, that's why it's really important to know about other funding sources. So that we can package these loans and applicants are getting the most bang for their buck.

So we think it's really important to know about those other funding sources. Otherwise, last year, we had a woman going through the local vocational rehabilitation office. She had a disability. She had a full-time job. Her vehicle was $125,000. So, essentially, you know, it's a computer with four tires. She took out a loan for $60,000 with us and the office of vocational rehabilitation paid for the balance.

So it takes quite some time in that case, that particular case, it took 9 months. And she had to reapply 3 different times because as many of you know, banks won't hold on to an application and keep it open after a certain period of time. So that is very extenuating. That's often what not happens, but I wanted to bring that up. Real quickly, the credit summary, if our low interest loans meet the guarantee, we have 16 Board members who convene to look at the loan. Our Board members are spread throughout the state. And if you've never been to Pennsylvania, it's quite large. I live in tiny little Delaware. And Pennsylvania is quite a large state.

So what we have done is come up with an online forum where we post these credit summaries, and the form is a safe place that only our Board and staff have access to. People can post comments. Board members can post questions. We can get back to them quickly. And, really, after years of trying to come up with information that is helpful for our Board members, the information that's included in this credit summary is what the Board request. And you know, we have all the numbers. We have debt to income. How much loan would cost. But most --

>> Do you want to talk about the debt to income a little bit? Because that was the issue for the bank. And I know a lot of AT loan programs have a policy around debt to income ratio that's different for most banks' policies.

>> Sure. So, if in the case of our banks, if anything is more than 50% DTI, they will not extend a loan. They will not consider extending a loan. So in this particular case for John, his debt to income was nearly 57%. So even though he had good credit, his debt to income was just a tad over.

And in the next section, where there is a narrative, that's where we can explain John's background and situation, why he needs the AT. And if we need to, we can include, you know, information about credit. If somebody has poor credit, we can talk about that. Yeah, could you go to the next slide, please?

So this is where we talk about open trade lines, closed trade lines. In many, many cases, there are delinquent trade lines. In this case, there are none. But I just wanted to give an example of debt to income. And somebody who can actually afford to pay their monthly bills. So in this case, our Board decided to guarantee this. And back the guarantee, or make the guarantee so the loan -- or the bank would extend the $30,000.

So even though someone, you know, on paper, it looks like this person may not be able to afford the loan, but because we talk extensively many times to our borrowers and applicants, we get a really good sense of how they're handling their monthly bills.

And this credit summary is a great way to, it's a great snapshot to the person's financial ability to pay back a loan. And, finally, on the last page, have you monthly payments and income, and their credit scores. Because the credit scores are exquisite.

>> JACK BRUMMEL: Yeah. He's a good client. So I want to turn to Danny and see, Danny on loan policies, how does your

program -- what are some differences that come to mind between what we've just heard Tracy talking about and how your program runs its loan program.

>> DANNY HOUSLEY: Yes, to our program, we're a much smaller program. We do much smaller loans. So, for us, we fluctuated over the years. And when the program started, we did do some of the higher dollar things like vans, that was the primary focus.

And ours, like I've mentioned before, we started out as a guarantee program and we work with 3 credit unions to do our program and we chose 3, because it was consumer choice. They could choose one that was closer to them or one that they preferred.

But, yeah, so, moving forward, when we were kind of restructured and went to direct lending, we created a loan cap. A $5,000 loan cap. And the reason being, a lot of the things that were being requested that weren't vans were generally in that $5,000 and under range. So we did that for a few years. We got some funding and we're able to raise the loan cap of, what happened when I first started working for the program for about 5 years ago, we had a lot of requests for home modifications. That was one of our biggest things. Aside from vans, which people are in need of, home modifications came in very close second.

And, so, we were looking at some of the requests that were coming through and the work and one of the things we required for the application process is a quote of the equipment or work that needs to be done. And, so, we were like, well, a lot of these, they're $10,000 and less. We're looking at adding a ramp, widening a doorway, or doing some minor modifications.

So when we got some funding and some grants, we were able to raise that threshold temporarily for those kinds of requests. But you do see, we try to keep the interest rate low. Our interest rate is between 3% to 8% and that depends on the credit score of the applicant. That is something that was decided by our Board of directors for the center for financial independence and innovation.

>> So you have variation in your rate based on your assessment of risk?

>> DANNY HOUSLEY: We do. We have loans that we do. One has a fixed rate and the other is based on credit score.

>> JACK BRUMMEL: Okay. And that's distinct from Susan's and number of other alternative financing programs that fund assistive technology.

>> DANNY HOUSLEY: Umm-hmm.

>> JACK BRUMMEL: Go ahead.

>> DANNY HOUSLEY: Absolutely. Yeah. So, again, that was a decision made by the Board. We're always looking, you know, looking and reviewing and seeing what's working. And we may actually be looking at revising that policy soon just based on my experience and what I've seen as far as what people are quantifying for that. We're not seeing a lot of higher interests. Most of our folks qualify for 5% or less for the term.

Now the term of the loan, we can go up to 8 years but it's based on the life of the device. So the way our program works, we credit able is a joint effort between the assistive technology program, tools for life. That's who employees me. And then the center for financial independence and innovation which is our non-profit partner.

So there's a lot that goes into the policy decision-making process for that. And I just lost my train of thought, as I was staring at the screen there. [Laughter]

Goodness. I'm sorry.

>> So you were talking about the terms of the loan and by the Board.

>> DANNY HOUSLEY: So the term, the life of the term, that's where the AT program comes in, because we work with the individuals to look at, you know, how long is that computer going to last? What is the expected life of device or home modification? So we review that with them. We help them explore what technologies are out there. And then when they start applying for the loan, that's when we look at okay, what can we set this at? It's based on what they can afford. But we don't want somebody paying, you know, for five years on a phone that is going to be obsolete well before they finish paying for it. Or paying for anything that just isn't going last that long.

Color identifier is not going to last 8 years. We don't want someone taking too long for that. So that's where we work really well with our program is helping to educate the consumer about that equipment. And then helping set the terms that are going to fit the individual's budget.

>> JACK BRUMMEL: Okay.

>> DANNY HOUSLEY: So when we look at how modifications work, that's when we're stretching it out a little bit, because the ramp is going to last. Now, the other type of lending that we offer is more for credit repair and credit building. So that one, everything is set. However, it's maximum of two years for the term. There's maximum of $1,000 and it's a 4% interest rate and that's for folks who acquired a disability and maybe their credit has become damaged or maybe they never had the opportunity to establish a credit score. So that's kind of there to help them start off on the right food or to get back on the right track as it were.

>> JACK BRUMMEL: Good. Thanks. I do want to turn to David. First I want to mention, Julisa, we have made available the loan policies of the northwest access fund and I'm sure David and Susan would make their loan process available as well. How would people be able to access those if they're interested in looking at assistive technology loan policies?

>> JULISA CULLY: So I have uploaded them to the chat box. So you will actually see around 3:12, I uploaded that document. And then you just have to click on it and it will have a little pop up. And you can download. If for some reason you're having technical difficulties with that, you can send me a chat, a private chat or an open chat with your email and I'm happy to also to email it to you.

>> JACK BRUMMEL: Okay. We're not recommending that people take a lot of time on that during this call. But just know that you will be able to access those.

And, David, let's talk about how would you describe your loan policy as distinguished from say, Susan's program or Danny's program?

>> DAVID BECK: I would say more flexible. And essentially, the way we have -- and not that theirs are inflexible. But we still want people's loan to be flexible to pay back the loan. But essentially, we're using the federal grant money what's known as a shared secured loan. So it is, the grant is deposited in self-help credit union. And the deposit are called shares and credit union parlance. And we use that deposit against the loans that the qualifying assistive technology loans that we make.

So if a loan goes bad, we take the money out of the deposit to pay for our loss.

And, so, that allows us essentially puts security in the event that loans go bad. And the concept we're trying to prove is that the shared secured, and as the other loans pay off, that money goes back into that shared secured fund. And, so, our bet and essentially we're playing with grant money is that folks will pay back their loans and we can revolve it into more loans at a rate much greater than we'll take losses. So the fund can continue growing, and be available for future borrowers.

And this is a model that we've used in other areas, but this is one of the more -- this is certainly the first time I've been involved with it. And I think honestly, it's a great model for credit unions and others to help leverage grant money in a way that gives you a lot more, gives the grantor at least the possibility of stretching their grant even further.

>> JACK BRUMMEL: Okay.

>> DAVID BECK: That's also why we were able to go to 4% across-the-board on our loans, whether it's regardless of the type or the credit worthiness of the borrower. So I think for us, frankly, and maybe this doesn't fit right under loan policies, but for us, one of the biggest challenges, just given the relative size of our organization, making sure all our loan officers and everyone understand that this special product is available for people who come in with assistive technology. Because one of our challenges, we have a lot of different loan products. And it's not always -- we're not always perfect about making sure our borrowers will that, are loan officers know what are all available for all different types of borrowers. So there's a constant education process going on. But in terms of problem loans, we have a way to pay for it, the ones that go bad.

>> JACK BRUMMEL: Okay. Thanks, David. I'm going to open it up now. We've spent quite a bit of time on this. And you'll notice that we combined that loan policy bullet with the 6th bullet about best practices where we talked about credit scores and we've talked about how take the useful life of the device can help for the loan, et cetera.

So let's open it up to our other participants on the call that may have some experience with AT lending or that have questions about how they might proceed here. Let's see what we've got. Anybody?

>> Hey, Jack. This is Emerson. I think for us, one of the biggest difference with our underwriting is that we require everybody to fill out a budget. And, so, we ask folks kind of what their general spending is in multiple categories. Which is

something that our Board and our loan officer has preferred in our underwriting decisions.

>> JACK BRUMMEL: Umm-hmm. Okay. Good. And then I'm noticing Natalie from Oklahoma, you've got assistive technology loan program. Is there anything about your program that is or would be a notable or a value to other people that are thinking about doing AT lending?

>> Well, we're similar to Emerson. And we dew look at budget as well so we can not only annual lines the debt to income but look at overall capacity to repay. And I stepped out for just a minute and you might have talked about this in terms of if they have medical collection, we disregard that. We don't take that into account on their credit.

>> JACK BRUMMEL: Good point. I think that's common, isn't it, for assistive technology lenders to disregard medical debt?

>> Yes. And in Pennsylvania. And the other thing is that in terms of things that are unique, you can have had a bankruptcy, but all we ask is that you would be clear from discharge by one year.

>> JACK BRUMMEL: Good. Okay. And then I think Siabon with capital good funds, you have expressed a strong interest in making assistive technology loans. Is there anything we move off the topic of loan policies and best practices, are there any questions you've got related to this?

>> Yeah. So, unfortunately, I wasn't able to get that list of questions that I mentioned to you earlier when we spoke. And I have some trouble joining. So I may have missed some of this. But, I think the biggest thing we're looking at is, this is exactly different product from what we do, even though we are consumer lenders. So just trying to figure out what or how would we assess what the market is for this in our stage? And what is the market like for, you know, other AT lenders? How much demand are you seeing for this product? Because we would have to develop a completely new product line. So we're trying to evaluate that.

>> JACK BRUMMEL: Right. Okay. And I know Susan will be working with you on this. But Susan, do you want to give a real quick response to that? And then we'll need to move on, because we've only got half hour left.

>> SUSAN TACHAU: Surely. There's a huge market and society has changed and there's more and more people with disability and seniors who want to live in the community. So you've got hearing

aid vendors, smart home device vendors, wheelchair and scooter vendors and a lot of individuals with disabilities who are really working at figuring out what's going to make their life possible in the community. So whether it's a home modification, adaptive vehicle, there are federal agencies that also are charged by the Federal Government and given money by the Federal Government to help support certain activities, but not all activities.

So what I think Danny and David talked about, and certainly, Tracy did, was the vocational rehabilitation agency, which all states have, will pay for some things but not all. So they will pay for adaptations to the vehicle but not the chassis which is the body of the vehicle. And, so, I think the market is huge. I think something that CDFI who are not used to working so discreetly in one lane, sort of speak, just needs to know how to get that word out.

>> All right. So one question that our CEO was interested in, it was kind of like if anybody would be willing to share their outstanding portfolio guide?

>> JACK BRUMMEL: So you're curious about the AT lenders that are on the call, how big their portfolio is?

>> Yeah.

>> JACK BRUMMEL: Okay.

>> We were interested.

>> Maybe we can follow-up on that. Because what information do you want or looking for? Because some of this, just like all the other CDFI, there's so much information we cannot give out. So maybe we can talk offline about what is it that your CEO is seeking?

>> Yeah, just the value. Justice the number. But we can talk offline.

>> JACK BRUMMEL: Yeah. Okay. Let's talk offline on that one, and you know there are others if you're interested in getting a survey, we can probably facilitate getting information from others as well. Thanks for that. That's been a good discussion. I want to move the next three topics I think will not take as long. But first is participation of people with disabilities and setting policies and making loans. And we've got Susan, Danny, and David, all have experience in getting people with disabilities. And I've got Susan down as going first. Briefly, Susan. Can you address that?

>> SUSAN TACHAU: Sure. So we were founded as a consumer controlled organization. And in the disability lingo, that means that the majority of people, and we define the consumer. That means the majority of people on our Board of directors are people with disabilities or immediate family members and by immediate, we even have a definition of that. And that is someone who is involved in the day-to-day of someone with a disability. So oftentimes, a parent or a spouse. And in some cases, we've had siblings who lived together and one sibling has a significant disability.

So the Board sets the policies. Both and that's pretty critical, because some organizations have loan application committees and they're approval or not approving, so approving or denying applications. But it really comes down to what are the guidelines for the loan? So we have flexible lending standards and what we will look at like 0 credit score in many cases is just fine with us. And the reason that has been in our policies is because we know, and certainly, our Board knows that many people with disabilities are unemployed, or under employed, and if you don't have much money, you're not buying things, which means you don't have a credit score. And you don't have access to credit like a credit card, and you're not repaying it regularly. So the Board sets these overall policies and then we, as staff, carry them out. Or we have a subcommittee of our Board that is part of our application committee that goes to the entire board.

But in any case, the Board is setting the direction. We know we're talking to the community. It's across disability board and one reason that happened very early on is we had an application for someone who wanted to build an in-ground swimming pool. They had MS and they lived in the Poconos. And another Board member said who happens to be in the financial field said they can drive to their local YMCA and by the way, that was 65 miles away. So that taught us people with varying experiences so they can talk to each other, educate themselves, and we can be more responsive to the needs of individuals with disabilities, because, again, we're Consumer-directed and consumer choice.

>> JACK BRUMMEL: Good point, Susan. David, I'm going to point to you next because you were a CDFI before you started making AT loans. And we've got a lot of similarities to folks on the calls that are CDFI that are wanting to look at this.

What's your practice in getting the people with disabilities to participate in your policy and loan making?

>> DAVID BECK: Yeah, honestly, that is a challenge for us given the size of our organization and complexity of our organization. I think it's mitigated by the fact that we have very generous underwriting standards given the that and experience and history as a CDFI, getting down into the weeds with people to figure out our ability to make a loan or not. And with the grant money and the shared secured model, we're able to be very flexible. But the development, historically, the program, when we first got interested by a staffer who sold assistive technology devices and noted there was no program in North Carolina.

So as we learned more, we thought it could be a good fit. And, so, we created an Advisory Board to help us think through all we didn't know, which was a lot, and serving the Disability Community and how to do it, where to try and get traction and get the word out. And use that information from the Advisory Board to sort of get us up to speed. But main partner has been North Carolina assistive technology technology program. And I contacted the director early on when I learned that there's been a program in Charlotte previously and she gave me the entire load down. And has been a great partner ever since in terms of helping us figure out who needs loans and who doesn't need loans. Last thing we want to do is giving money grant money to people who can find it somewhere else. So helping people get vetted, I guess, for lack of a better word, with someone who may have a better understanding what devices they actually need versus what they may have heard they need has been important to us.

And another really important partner has been the Disability Rights North Carolina, a non-profit that mainly focuses on policy and legal issues facing the Disability Community. And, so, they have a lot of outreach as well and can help us think about how we, as a lender, can most effectively serve the disability community.

>> JACK BRUMMEL: Thanks, David. You're reinforcing some points that were made at the last meeting of call of reaching out to state organization that is serve the Disability Community. And I want to wrap this up quickly with comments you might have about the importance of participation of people with disabilities, Danny.

>> DANNY HOUSLEY: Yeah, that is, I think that is of the utmost importance. We have a shared structure for our Board as Susan's. We have to have 51%. 51% with people with disabilities. And that's also for the advisory counsel for tools for life. And having a person with a disability, and a decision-making process is important. It's important for building trust with the

community. So, yeah, I mean, you said quick, so that's quick. [Laughter]

>> JACK BRUMMEL: [Laughter] Thank you. So, the key-point I think for folks that haven't been making assistive technology loans is the importance of turning to the Disability Community, and whether it's possible to put people with disabilities on your board, which we, of course would advocate. Or setting up an advisory group. We think the key is making sure you've got the engagement of people in the Disability Community in helping you think through most of your policies and, ultimately, your loans. Before we open this up, we will have a general discussion and then close with the final topic. We also have the notion of loan committees is versus directors making decisions on loan policies.

And here I'm going to speak briefly, and Emerson, you can chime in as well. The loan decisions are made for the most part of the loan committee and that's exceptional loan for the guidelines. And the Board of Directors is a majority, like Susan and Danny's board. It's a majority of people with disabilities or their families. The loan committee also has representation from the disability and as the actual decisions are being made on the loans. And Emerson, I don't know if you have anything to add to that before we turn to the other?

>> No, that's a good job of getting access. And our loan committee meets twice a month. And we have discretion internally as staff for all loans under $1,500. And the loan committee takes care of the rest.

>> JACK BRUMMEL: Umm-hmm. And then Susan, in your organization, it's your full Board of Directors making loans, correct?

>> SUSAN TACHAU: Well, that's almost correct. Internally we have a committee for the mini loans for $100 to $2,000. So there's four people there so it can happen very quickly. And then the full board, only those guarantee those loans that require the guarantee that they've already been turned down by another bank. And we do that online, so it's forever ongoing.

And we actually keep debating whether we should expand the loan review committee, but I think it got reaffirmed that because this is a fiscal decision on whether to, you know, match the guarantee, that it's the Board of directors and not a committee, because that board, it's the financial arm of, and the group that has the financial responsibility. And I would point out that because we are large, in terms of the alternative financing program, not large compared to David and self-help, but large for us. So we've got almost 41 million out there in loans. We've had, it does kick in additional reviews. So we have had like an OCC review. And that is a subject that's brought up of who is looking at those loans and making those fiscal decisions for the organization.

>> JACK BRUMMEL: Uh-huh. So the size of your CDFI might be a factor that you would consider when you're trying to make a decision about whether you should make the bulk of your decision through loan committee or through the Board of directors. Danny, what's your practice?

>> DANNY HOUSLEY: Sorry. Am I unmuted?

>> SUSAN TACHAU: You just got off.

>> DANNY HOUSLEY: So my screen reader is being a little funky. So I couldn't tell. For us, the decisions are made by, it's a small committee. Primarily, the administrative assistant for center for financial dependence and myself, and we review the applications. And if anything is, you know, just kind of outside of the norm, that's when we can get feedback from the CF II, the center for financial independence board. Because they are the people who have the financial responsibility for the program. So, for the most part, the two of us, since our maximum is $5,000, we're given pretty broad discretion to make the decisions. But, yeah, if something doesn't look right or if we're stumped on something, and that's happened twice since I've been with the program. That's when the Board gets involved. But we do get report out to both the CF II board and tools for life Advisory Council on loan decisions, numbers and all that good stuff.

>> JACK BRUMMEL: So people get the number and decision-making is another group. And David, how does it work with your CDFI?

>> DAVID BECK: Basically, these loans fall within our individual underwriter within the parameters that we can approve without going to a board or loan committee. And there could be a situation where at a changes, but we haven't hit it yet. It would have to be because of the size of the loan. But the share secured model essentially allows us to put the decision-making with the underwriter in a very responsible way. And just to follow-up on one thing Susan said, they are much bigger in the assistive technology lending and financing world than we are. We don't have anything close to $40 million volume on the assistive technology lending financing. So we're a big CDFI, small assistive technology lender.

>> JACK BRUMMEL: Okay. So I want to wrap that up. And I think what I'll do is, just go on to the next topic. You've got a variety there, so you've got individual loan officers making decisions and Board of Decision-makers. So there's a lot to choose from the assistive technology loan program and there's a lot of models out there and you can probably come up with one and talk to us about how it's done under all programs. Last one is just, briefly before we go to question and answer for all topics. Consider starting an IDA program. So match saving, the northwest access fund and Emerson, you can chime in here because there's been changes since I left the organization. But historically, I think about half of the applicants for loans at northwest access were turned down and question becomes, well, these people really need assistive technology.

So what else can we do to help? So we had offered a savings program that allowed people to save when they really didn't have the capacity to pay a loan back. Allowed them to save and we would match the savings and with the assurance that those savings, since it's in a custodial account that they're collecting benefits, it's not going to threaten the receipt of their benefit.

So the reason for this bullet is just to let people to think about or ask people to think about other ways of getting assistive technology into the hands. And northwest access fund, this was a way, this program, since it involved financial education, it sort of led to building our, I think, pretty good credit building piece with our financial capability work.

And I know that, so, Emerson, I'm not hearing anything from you.

>> Sorry. I was muted. Just quickly, Jack, on IDA is that when Tracy mentioned earlier about supplemental security income that comes with the benefit of under $800, which is I think around $783. And they can't save benefits, so IDA, biggest part is that we see the value of it is not just in the matching grant. It's the ability to save without risk of losing these crucial benefits that make other aspects of your life work.

And then also encourage folks to, if they're eligible to open up ABLE account, which is a great great opportunity for some folks with disabilities to be able to save without risk of losing benefits.

>> JACK BRUMMEL: Okay, thanks, Emerson. And Danny, you thought Mike could join.

>> DANNY HOUSLEY: So he was unable to join, but we did have an IDA account, this was probably 7 or 8 years ago. And it was something that we did in collaboration with the United Way of greater Atlanta. So I wish he was able to make it, but we did have a very successful program, it was also difficult to get people at the same time. Because some of the restrictions United Way had fit in knocked out some of our potential candidates. But it was a 1 to 5 match, so people were able to get a lot of equipment with that program.

>> JACK BRUMMEL: Okay.

>> Jack, this is Susan. I just wanted to add that we also in Pennsylvania had an IDA program but could not work through the United Way or through the federal funds, because there were strict on what you could purchase with your IDA. And we wanted to be tied into our program of assistive technology. So we did outside fundraising from foundations so that we could, while we were doing financial education and some of our pilot programs, we could then have an IDA. And as Emerson said, what's easier now is helping people set up ABLE accounts. And I know we talked in our training about ABLE. But that is a wonderful source of being able to, you know, have people save and also construct on the educational component and you can also do a match through that ABLE account.

>> JACK BRUMMEL: Good. Thanks, Susan. We've got about 10 minutes. So let's open it up. We want to hear from folks about any questions that might have come up in your mind around assistive technology lending so people can think. Raise your hand or go on the chat, or Julisa can unmute you. So. Any further question and Sioban? Do you have any further questions at this point?

>> Right now, I'm just absorbing the information. I just heard back from my CEO and I think one of his big questions is how we would go about applying for a disability funding from CDFI as a supplemental application if we wanted to do a pilot program. So, I think that there is another call coming up with the funding stream.

>> JACK BRUMMEL: There is a community of practice call on fundraising. That's correct.

>> Yeah.

>> JACK BRUMMEL: Okay. Anna in Iowa, you have an assistive technology lending program. I'm curious about whether you've got any comments on what you've heard so far on this call? Anna? You're muted?

>> Yeah, it sounds like she has no audio. But she says --

>> I'm sorry, I didn't hear you.

>> JULISA CULLY: It doesn't look like Anna has audio capabilities. But she said all great information and she has more question than answers.

>> JACK BRUMMEL: More questions than answers. All right. Thanks. Natalie in Oklahoma, you also have an AT lending program. I'm just curious if there's anything about the presentation that raised issues in your mind or if you have anything to add about this, because you may have some practices that are different than what you heard today?

>> No, I don't know if it raised any questions. In terms of practices, I found it interesting to listen to how the decision-making was done with all the different entities. Because in our scenario, I had authority for debt to income, and our Board of director meets weekly to able to review direct loan requests and guarantee loan requests. And we're set up pretty similar to what you guys have talked about in terms of majority of the Board of directors are people with disabilities as well.

>> JACK BRUMMEL: Uh-huh. Okay. Natalie, thank you. And then Adrienne, finally, I want to turn to you, because this was the topic that you put the down as priority. I want to make sure we take this opportunity to address any concerns or issues that you might have as you look to provide assistive technology lending. Adrienne, do you have the capacity to speak?

>> We've actually been, he doesn't have the capacity to speak at this time. But we've actually swapped email information. So, hopefully, he can have one resource.

>> JACK BRUMMEL: Thank you, David. All right. So, unless anybody else raises their hand, we can end a little bit early. But out of the experts on the line, did we shorten your presentation somewhere that you had a point to make on anything?

>> No. I guess just for -- this is Susan from Pennsylvania. I guess kind of mirroring what we do and what David, who with self-help did, coming from different directions. I think that AT lending can be purposeful in terms of that is what your organization is set up for. Or it can be an add-on product from an already existing CDFI. And I think if I've heard you correctly, David, that, yes, it's a different product line and you were able to kind of stabilize all of the loan terms so it's one thing and one kind of rate, differing repayment periods, which

certainly helps in the administrative. I mean, that's why we have a fixed interest rate. It's that less administrative work we have to do, the better.

So I think that people can incorporate AT lending coming from two different directions. And it will both work for you. But it is a different product, because most of the AT devices are unsecured.

>> JACK BRUMMEL: All right. Okay. If there's no other comments, we'll end this a few minutes early. Thank you, all.

>> Thank you to everybody.

>> Thank you, have a great one!

>> Bye-bye.