I. The Pennsylvania Assistive Technology Foundation (PATF) Low-Interest Loan Program

PATF’s basic purpose is to operate a low-interest loan program for people who need to borrow money to buy assistive technology devices and services (AT). The program also has a guarantee component for borrowers who require additional support. The guarantee monies operate as a revolving fund. As guaranteed loans are repaid, equivalent amounts from the fund are freed up to guarantee new loans.

PATF’s current interest rate of 3.75%<sup>1</sup> is available to all borrowers and reflects the Boards’ commitment to offer loans that are attractive and affordable. Every year PATF negotiates with its lenders, Santander Bank, Bryn Mawr Trust and Malvern Bank, to buy-down the interest rate from the Bank’s rate to our lower rate. The buy-down rate ratio is then applied to every approved loan.

In addition to the low-interest loan aspect of the program, PATF has made a commitment to serving people who are traditionally not considered “creditworthy”. For example, an applicant with a FICO score<sup>2</sup> below 600 and a debt-to-income ratio greater than 50% will not typically qualify for financing. For these borrowers, our lender will request that PATF guarantee the loan. When this occurs, PATF’s Board of Directors reviews the request and votes on whether to approve the guarantee. In making its determination, the Board considers the nature and extent of an applicant’s credit issues as well as the total dollar amount of the loan requested. After this review, if the Board determines that the applicant has the ability to repay the loan, it will award the guarantee. The maximum loan amount for loans that require the guarantee is $35,000.

PATF’s policies allow applicants who are found to be creditworthy (meaning they do not need a guarantee) may be able to borrow the full amount requested up to $60,000. The minimum amount for a low-interest loan is $2,000.

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<sup>1</sup>The interest rate for the low-interest loan program is currently 3.75% and is subject to change. The interest rate for the Mini-Loan program ($100 to $2,000) is 0%. A Mini-Loan Procedure Manual is available.

<sup>2</sup>A FICO Score is a standard rating technique used by lending institutions to evaluate the probability that a particular borrower will be able to repay a loan and is based on a number of factors, including payment history, outstanding debt, credit history, types of credit in use, and new account openings.
PATF also helps ensure that borrowers maximize their ability to repay their loans while building a good credit history. PATF offers financial education throughout the application and loan process. To begin, when an application is being reviewed, potential borrowers are asked whether they have tried public or private (e.g. foundation grant) funding sources that may be available. If not, specific contact information is provided to the applicant. (Note: PATF is not a payer of last resort.) After a loan has been made, if the borrower runs into trouble repaying his or her monthly loan amount on time, PATF has the option of offering to extend a rescue payment (from one to three monthly payments). A promissory note agreement between the borrower and PATF stating the amount of the rescue payment is signed by the borrower. The rescue payment is collected at the end of the loan period when the low-interest loan has been fully satisfied with the banking partner.

PATF has a website ([www.patf.us](http://www.patf.us)), and a toll-free telephone number so that consumers from across Pennsylvania can access information about our programs. However, PATF has found that some people prefer to talk to people in their local area. As a result, PATF has contracted with Funding Assistance Coordinators (FACs) that are located throughout the Commonwealth.

The FACs are charged with outreach and promotion of PATF, as well as providing information & assistance. Consumers are offered information about PATF and possible funding resources for the requested assistive technology device or service. The FACs are also trained to help facilitate the application process, after which documents are forwarded to PATF’s office (by phone, fax, e-mail, or mail) for financial review. All PATF staff, FACs, and Board of Directors for PATF have signed confidentiality statements to ensure the protection and privacy rights of applicants.

The agreement between PATF and its banks allows for all transactions to take place via mail or e-mail. This is a convenient service for our applicants. However, before the loan can be finalized, the applicant must have their signature notarized. For some borrowers locating and getting to a notary can be challenging. When necessary, it may be possible to waive this requirement, determined on a case-by-case basis.

PATF’s Board of Directors is committed to continuing its efforts to ensure that the loan programs are affordable and accessible to people with disabilities and older Pennsylvanians. This means a commitment to buying-down the interest rate so that it is affordable; it means having a guarantee pool large enough so we are able to service all those people who require the guarantee so that they can access a loan; it means extending the repayment terms so that the monthly payback amount is more affordable; it means offering financial education so that borrowers can maintain their good credit standing or build a solid credit history throughout the life of their loan; it means offering rescue payments as a short-

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3 Exceptions can be made to the policy that all loans must be notarized. All vehicle and home modification loans (greater than $10,000) must be notarized and a lien placed upon the device.

PATF Process Manual
term remedy to help those who have met with unexpected difficulties in making timely loan repayments; and it means being insightful and offering new services that can assist in the accessing of loans. The goal of PATF is to provide low-interest loans and information so that individuals have access to and can purchase the assistive technology devices and services they want, and in doing so, help a person achieve a more independent and productive life.

II. Definitions

**Assistive technology** is defined in the Technology-Related Assistance for Individuals with Disabilities Act of 1988 (renamed the Assistive Technology Act in 2004) as devices and services that help to increase, maintain, or improve the functional capabilities of individuals with disabilities and older residents.

An assistive technology device is "any item, piece of equipment, or product system whether acquired commercially off the shelf, modified, or customized" that accomplishes the goal of increased functional capabilities. Examples include home modifications such as grab bars, roll-in showers and ramps, vehicles with adapted steering controls or wheelchair lifts, seat lift chairs, hearing aids, computers and tablets with specialized software, smart home technology, and wheelchairs and scooters.

Assistive technology services directly assist an individual with a disability in the selection, acquisition, or use of an assistive technology device. These services include: evaluation of needs, selecting, designing, fitting, customizing, adapting, maintaining, or repairing devices; coordinating other therapies or services with assistive technology training or providing technical assistance for individuals with disabilities, family members, and other individuals who provide services for the individual who has disabilities. Examples of services include installation of adapted steering controls in a vehicle, the design of a modified bathroom, training in the use of adapted software, or customization of a motorized wheelchair.

Assistive technology enables people with disabilities and older Pennsylvanians to become more independent, more productive, and more included members of their communities.

**FICO score** is a standard rating technique used by lending institutions to evaluate the probability that a particular borrower will be able to repay a loan and is based on a number of factors, including payment history, outstanding debt, credit history, types of credit in use, and new account openings.

**Co-applicant/co-signer** is an individual who shares legal responsibility for repayment of a loan with the applicant.
Creditworthy individuals, as defined by lending institutions, are individuals with a good credit history and no unfavorable credit problems, or an individual who is actively addressing his or her credit problems in a positive way.

Debt is defined as the monthly mortgage/rent payment, monthly payments for existing loans including credit cards, alimony or child support obligations, and the monthly payment for the requested loan through the Pennsylvania Assistive Technology Foundation.

Debt-to-income ratio is defined as the relationship of an applicant’s monthly debt to his/her monthly income. PATF will extend loans to applicants who have a debt-to-income ratio that is higher than often allowed by traditional lenders if the borrower can adequately document enough cash flow to make loan payments.

Delinquent account is one in which one or more monthly loan payments have not been made by the due date.

Eligible individuals include people with disabilities or older adults who are residents of Pennsylvania and need assistive technology. Family members may apply for a loan on behalf of children or other family members with disabilities, as well as advocates, guardians, and authorized representatives as long as the device or service is for the use by the person with the disability. Approval for a loan is based on an applicant’s ability to repay the loan.

Family member is defined as a parent, sibling, spouse, significant other, son, daughter, grandparent, aunt, uncle, cousin, legal guardian, or legal custodian. The family member does not necessarily live with the person with the disability. The term also includes a person providing foster care or a family-living program home.

Funding Assistance Coordinators (FACS) are individuals and agencies that represent geographic areas of the Commonwealth. The FACs will provide consumers with information about the range and scope of assistive technology, funding opportunities within Pennsylvania, information packets about PATF loan program, assistance with completion of the application, etc. FACs also assist with promotion and outreach activities for PATF.

Income is defined as all wages, salary, commissions, interest, pensions, and other sources of financial support such as employment-related disability benefits, Supplemental Security Income (SSI), Social Security Disability Income (SSDI) and Social Security retirement benefits.

Lending institution is a bank that has agreed to make loans to qualifying borrowers and has signed an agreement with PATF specifying rates and terms.

Loan guarantee is a legal commitment by which PATF is obligated to pay the outstanding balance of a loan including interest if a borrower fails to make loan
payments and therefore defaults on the loan. Guaranteed loans may be called if payments are more than 90 days delinquent.

**Individual with a disability** is an individual who self identifies a limitation to one or more major life functions, such as walking, talking, hearing, seeing, caring for one’s self, and learning.

**A qualifying borrower** is a person who demonstrates the ability and willingness to repay a loan by meeting the criteria established by PATF in relation to Beacon / FICO scores, debt-to-income ratio, a consistent payment of bills and debts during the previous 12 months, the loan request is for assistive technology device(s) and / or service(s).

**A resident** is a person whose legal residence is within the Commonwealth of Pennsylvania.

## III. General Loan Guidelines

**A. Loan Amounts**: Applicants who are found to be creditworthy can borrow up to $60,000. There is a minimum of $2,000 on all low-interest loans as well as a maximum of $35,000 for loans that require the guarantee.

**B. Loan Term**: The term of a loan is based on the expected useful life of the assistive technology device or service to be purchased. Typical repayment periods for various types of loans are shown below:

- Computers and adaptive peripherals – two years
- Hearing Aids – four years
- Wheelchairs or scooters – five years
- Home modifications – ten years
- New vehicles that need adaptations (including when there is another funding source for the adaptations) – seven years.
- Used vehicles that need adaptations (including when there is another funding source for the adaptations) – six years
  
  Note: Used vehicles will be considered if the vehicle is no more than five years old and has 50,000 miles or less.

If PATF has not established a loan period for a specific type of assistive technology device, staff will consult with knowledgeable individuals to determine the expected useful life of that type of assistive technology.

**NOTE**: Additional considerations for purchasing of a vehicle: If modifications are required to a vehicle, the applicant must be the vehicle owner or a family member. If a third-party payer will be funding the modifications, the applicant
must provide documentation that it is approved (i.e., a letter from the Office of Vocational Rehabilitation).

Family members may own a modified vehicle that is being purchased to transport a family member who has a disability. The driver must provide proof of insurance and a copy of his/her valid PA driver’s license.

Considerations for home modifications: In a situation where an individual can obtain funding under a third-party payer, but it is a reimbursement model, he/she may be eligible for a loan. If someone has the ability to do the work themselves or obtain free labor to complete the modifications, a loan can be used to purchase the necessary supplies. A quote for the supplies will be required.

C. **Allowable Equipment.** PATF will facilitate loans to purchase a broad Array of assistive technology. Examples include, but are not limited to, the following:

- Wheelchairs and scooters
- Braille note takers
- Assistive listening devices
- Smart home devices
- Visual aids with voice output or magnifying features
- Computers, tablets and adaptive peripherals, applications
- Home modifications for accessibility
- Motor vehicles that have been adapted or need adaptations
- Hearing aids
- Seat lift chairs
- Recreational equipment including adapted bicycles, sport wheelchairs
- Adapted farm equipment

D. **Loan Restrictions** – PATF provides low-interest loans only for the purchase of assistive technology devices and services. Therefore, PATF will not process loan applications to pay off existing loans, to pay for an item that the applicant already possesses, or to purchase a home. PATF will provide loans for home modifications to rental units only with the written approval of the rental property owner.

VI. **Application Process**

A. **Initial Contact.** When a potential applicant contacts PATF or a Funding Assistance Coordinator, staff will review the individual's needs and provide technical assistance regarding the device requested (Has the consumer tried the device? Are there additional funding resources?) PATF staff will provide contact information to other resources as well as provide a copy (or link) to PATF’s
If the individual decides to apply for a loan, staff will send an application packet. The packet will contain a brochure, a Frequently Asked Questions handout, the loan application form, an instruction sheet, , and a “privacy rights” handout. This information can also be downloaded from the PATF website, www.patf.us.

B. Loan Application. PATF’s loan application is similar to a standard consumer loan application form. However, there are a few additional questions attached to the application, including: type of disability, type of assistive technology to be purchased with the loan and a brief statement that describes how the device is assistive technology to the person with the disability.

PATF does not ordinarily ask for proof of disability. However, the Board may, on occasion, ask the applicant to provide an explanation as to how the needed device meets the federal definition of assistive technology, if it is not readily apparent. (Example: The Board of Directors may ask for such an explanation if an applicant requests a loan for a computer without also seeking to buy adapted peripherals or specialized software.)

C. Application Completion. Individuals can receive application packets by calling or emailing PATF or a Funding Assistance Coordinator, or by downloading the information from PATF’s website. All supporting documents must be mailed/edeamed/faxed to PATF’s office. PATF and the FACs will offer any assistance needed to complete the application forms. All applications received by the FACs will be sent to PATF’s main office within two business days.

D. Application Review. Upon receipt of an application, PATF staff will assign a case number to the application in order to maintain confidentiality and will perform an initial review to verify that the applicant is seeking a loan for assistive technology for an individual with a disability. Additional information to verify the need for and appropriateness of the assistive technology may be requested from the applicant. A vendor quote, proof of income and two forms of identification (including a copy of photo identification) is required along with the application. NOTE: The application is reviewed annually and updated to reflect changes in banking laws and regulations.

PATF staff will forward the completed loan application to one of the participating banks. The bank will make a loan decision based on the terms and conditions as agreed to with the PATF. The bank will either approve or deny the application, and report the decision to the applicant in writing, with a copy to PATF. This process should take no more than 48 hours (as per agreement with the banks.)

If the bank declines the application (in an adverse action letter), PATF staff will talk with the applicant and ask if they would like to continue with the process. If
so, PATF staff will review the process of accessing the guarantee with the applicant.

On the other hand, if the bank approves the application as a traditional loan, then the Bank and PATF staff will inform the applicant of this news, and the bank will schedule a closing date that is convenient to the applicant(s). The applicant can choose to close the loan at a local bank branch or via FedEx or UPS.

E. Initial Process of Accessing the Guarantee. If the applicant(s) wants the Board to consider their application for the guarantee, PATF staff will access their credit reports and will review the findings with the applicant. After all relevant information is gathered, staff will compile the findings and post a credit summary onto the secured PATF website (forum section) for review by the Applications Committee of the Board. If the loan request is less than $3,000, the Applications Committee determines whether to match the guarantee. If the request is for more than $3,000, the comments and recommendation from the Applications Committee are shared with the full Board. A two-thirds majority vote from the full Board is required to approve the guarantee. (Note: The limit for a loan that is guaranteed is $35,000.)

If the Board approves access to the guarantee for a loan, PATF staff will notify the borrower of its decision in writing or in an appropriate alternative format.

If the Board decides not to extend the guarantee, PATF staff will notify the applicant by phone and will mail an adverse action letter, which outlines the reasons for its decision. The letter may offer an alternative to the applicant such as re-processing the loan with a qualified co-signer. All applicants, whose requests have been denied, are presented with the procedures for appeal.

F. Review of Mini-Loans. Beginning in August 2008, PATF became a direct lender for mini-loans, loans that range from $100 to $2,000 at 0% interest.

PATF staff review the loan application to ensure that it is complete (including vendor quote, a copy of a photo ID, and proof of income). PATF staff accesses the applicant(s) credit records, calculates the debt-to-income ratio and reviews findings with the applicant. The same policies exist for the Mini-Loan Program as with the Low-Interest Loan Program in terms of approving loans based upon the combination of Beacon / FICO Scores, debt-to-income ratios, character scoring, and the requested assistive technology. PATF’s loan underwriting staff reviews all Mini-Loan applications to determine if the applicant has the ability and willingness to repay a loan.

If the applicant has a household income of up to 200% of the federal poverty guidelines, a partial grant of up to 50% of the loan request may be available. Grants are available if all other funding resources have been exhausted by the
consumer\textsuperscript{4}. Applicant(s) are eligible for only one grant through PATF [Note: This program is available if grant monies are available.]

If the loan is approved, PATF staff will contact the applicant(s) to review the closing procedure. Loan closing documents will be forwarded via regular mail, email, or DocuSign. If the loan is not approved, PATF staff will contact the applicant and inform them the outcome of their loan application request. A letter that includes information about the appeal procedure will be sent to the applicant reiterating this information.

V. \textbf{Guidelines used by Board of Directors in Reviewing Access to Guarantee}

PATF does not discriminate on the basis of disability, race, color, national origin, age, gender, creed, sexual orientation, or gender identity or expression. All borrowers are treated fairly and according to the same standards.

While PATF’s criteria for approving access to the guarantee are more flexible than the loan criteria of all banks, the Board needs to have a reasonable expectation that the borrower will repay the loan.

The three most important criteria for a PATF loan are credit history, debt-to-income ratio, and capacity to repay. When the applicant has a history of credit problems, the applicant must be able to demonstrate that he/she has a workable plan to deal with those problems. A pattern of adverse credit actions that cannot be adequately explained and have not been adequately dealt with will result in a decision not to guarantee a loan. Similarly, an applicant who does not have adequate income available to pay for a new loan after taking care of other financial obligations will not be approved for a loan. If the applicant has experienced a bankruptcy, s/he must be cleared from discharge for a minimum of one year.

Generally, PATF’s Board looks for a pattern of stability in its loan applicants in areas such as type of residence, length of time at residence and length of time at present job. It is also looking for a pattern of responsibility with respect to credit history.

VI. \textbf{Standards and Criteria for the Loan Program}

The following chart outlines the standards that PATF follows in administering the PATF loan program. These standards may be reviewed and revised from time to time in order to comply with state and federal requirements.

\textsuperscript{4} Grants are not available for computers that have not been adapted or modified.

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\textsuperscript{4} Grants are not available for computers that have not been adapted or modified.
<table>
<thead>
<tr>
<th>Standard</th>
<th>Acceptable Criteria for the Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of residence</td>
<td>Applicant owns or rents his / her residence, and payments to the mortgage company or landlord have been made in a timely fashion for the previous 12 months.</td>
</tr>
</tbody>
</table>
| Proof of residence       | An applicant must provide proof of residence within the Commonwealth. The following items may be used to demonstrate residence (e.g., applicant’s PA address):  
  - A photocopy of driver’s license  
  - A photocopy of voter’s registration card  
  - A utility bill  
  - Non-driver’s photo identification |
| Proof of income          | An applicant will be required to provide proof of his/her income. Acceptable documentation includes copies of IRS income tax return, a pay stub, W-2 form, or an SSI/SSDI Award Letter.                        |
| Gross income             | There is no specific income eligibility requirement for a guaranteed loan. Primary consideration will be the ability and commitment to repay the loan.                                                             |
| Credit history           | The Board will carefully consider credit records and may decline loan guarantees for applicants with poor credit. Credit history priorities are:  
  1. No unfavorable credit history  
  2. Good credit within the past year. Previous credit problems have been worked out with the creditors and/or debts or expenses have been reduced. Prior bankruptcies, defaults, delayed payments, or other credit problems may be considered on a case by case basis. An applicant must be discharged from a bankruptcy for at least 12 months prior to the submission of a loan application. Written documentation of how these problems have been resolved may be requested.  
  3. Poor credit history. Bankruptcy may be excused, especially if related to the individual’s disability, provided the individual has taken appropriate steps to resolve the credit problems (e.g., negotiating repayment schedules with current creditors, reducing debt, and living expenses). Written documentation showing actions taken to resolve the problems will be required.  
  4. Poor credit history is generally unacceptable if not related to the individual’s disability. |
An applicant who lacks acceptable credit may apply/reapply with a qualified co-signer or may apply for a loan later should his/her credit history improve.

| Debt-to-income ratio | 1. The Board will consider a 50% or higher debt-to-income ratio if the borrower can adequately document sufficient cash flow to make loan payments.  
2. Applicant(s) monthly loan payment to the bank will be included in the debt-to-income ratio.  
3. Applicant(s) with a higher debt-to-income ratio who have a compelling reason, or an extenuating circumstance may be given an opportunity to explain how they are going to address this requirement. |
| Beacon / FICO score | The Board will generally consider a Beacon / FICO score of 0 (no credit history) or 569 and higher. |
| Credit reports | PATF will conduct its own credit checks on all applicants by using a recognized credit reporting agency. |

**VII. Additional Loan Information**

**A. Insurance.** The cost to insure certain types of assistive technology devices may be included in the loan request.

**B. Maintenance, Repairs and Upgrades.** The qualifying borrower will be responsible for all repairs and maintenance of the equipment unless these costs were included in the loan application. The costs of repairs, extended warranties, or maintenance agreements to previously owned assistive technology devices are allowable if they meet other terms of PATF’s criteria.

**C. Joint Check Issuance.** PATF requires that loan proceeds be payable to the borrower and to the supplier/vendor of the assistive technology device or service. Exceptions may be made if the vendor does not accept a two-party check.

**D. Deadline for Loan Closures.** When approved for a guaranteed or non-guaranteed loan, the applicant must close the loan with the participating lender within thirty (30) calendar days of the date of approval. Applicants who have not closed their loans within the thirty-day period will need submit updated information or may have to reapply.
VIII. Late Payments and Defaults of Guaranteed Loans

A. Monthly Reports. Each participating bank will provide a monthly report to PATF documenting the following data for all loans approved through the program, with separate sections for guaranteed and non-guaranteed loans:

<table>
<thead>
<tr>
<th>Name</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account number</td>
<td>Payment amount</td>
</tr>
<tr>
<td>Original loan amount</td>
<td>Number of days delinquent</td>
</tr>
<tr>
<td>Current balance</td>
<td>Number of dollars outstanding</td>
</tr>
<tr>
<td>Note date / processed date</td>
<td></td>
</tr>
</tbody>
</table>

B. Collection Procedures (including rescue payments). Each participating bank will follow its normal collection procedures for all delinquent low-interest loans. Upon notification or through monthly reports on active guaranteed loans, PATF will keep track of 15, 30, 60 and 90-day late loans to resolve payment issues and to prevent defaults. PATF will contact the borrower directly, particularly if the loan is guaranteed. PATF may make one to three monthly loan payments on behalf of the borrower if there is an extenuating circumstance that warrants such a payment by PATF (i.e., rescue payments). The borrower will be expected to reimburse PATF for any such payments.

C. Defaults. PATF will assume responsibility for any guaranteed loan that becomes more than 90 days delinquent, following the actions by the lender to fully exhaust its recovery. PATF will pay off the outstanding balance of the loan plus interest.

A borrower who has defaulted will be informed by PATF that the organization has paid his/her loan, detail the amount paid, and notify the borrower that s/he is expected to repay PATF. PATF may also refer the loan to a collection agency.

IX. Appeal Procedure

Any applicant may petition PATF’s Board of Directors for reconsideration of the application if s/he does not agree with the Board’s decision to deny the guarantee. The petition must be received by PATF within 30 calendar days of receipt of the written denial. The applicant should include a statement to PATF’s Board explaining the reasons he/she feels that reconsideration is warranted. An appropriate alternative format may also be used.

PATF’s Board of Directors will:
1. Review the applicant’s statement;
2. Consider any new information;
3. Inform the applicant of its decision in writing or via other appropriate alternative format within ten (10) days of receipt of the notification of appeal.
Adopted by the PATF Board: January 16, 2002
Revised: February 6, 2003
         September 17, 2003
         September 20, 2006
         September 14, 2007
         March 10, 2008
         June 24, 2011
         June 23, 2013
         April 19, 2016
         June 2, 2017
         April 2018
         April 2019
         May 2020