



# Credit Able Strategic Planning Presentation

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# Creation and Development of Alternative Financing Programs

- Congress first authorized grants for AFPs in 1994 under Title III of the *Technology-Related Assistance for Individuals with Disabilities Act of 1988*, as amended (P. L. No. 103-218), and continued it when that act became the *AT Act of 1998*.
- Purpose of Title III was to help individuals with disabilities and their families fund the purchase of AT devices or services.
- Several rounds of grant competitions and funding formulas followed

# Title III Assurances

Each grantee assures that the Alternative Financing Program will:

- Continue on a permanent basis
- Expand and emphasize consumer choice and control with consumer majority Board representation
- Ensure all funds will be used to supplement and not supplant other Federal, State, and local public funds
- Ensure all funds will be placed in a permanent separate account and identified and accounted for separately from any other fund

# Title III Assurances, more

- Invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State
- Administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person
- Ensure any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the alternative financing program, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program
- Ensure indirect costs shall not exceed 10 percent
- Require the community-based organization to enter into a contract, to expand opportunities under this title and facilitate administration of the alternative financing program, with a commercial lending institutions or organizations; or State financing agencies.

**NUMBER OF GRANTS AND FUNDING FOR ALTERNATIVE FINANCING PROGRAMS UNDER TITLE III  
OF THE *ASSISTIVE TECHNOLOGY ACT OF 1998*: FY 2000 TO FY 2006**

<b>Fiscal Year</b>	<b>Number of Grants</b>	<b>Federal Funds</b>	<b>Nonfederal Match</b>	<b>Total Program Funds</b>
<b>2000</b>	6	\$3,792,576	\$3,792,576	\$7,585,152
<b>2001</b>	14	\$13,633,286	\$4,636,876	\$18,270,162
<b>2002</b>	0	\$0	\$0	\$0
<b>2003</b>	26	\$35,859,229	\$11,414,145	\$47,273,374
<b>2004</b>	0	\$0	\$0	\$0
<b>2005</b>	8	\$3,942,109	\$1,314,703	\$5,256,812
<b>2006</b>	3	\$2,608,060	\$869,354	\$3,477,414
<b>Total*</b>	57	\$59,835,260	\$22,027,654	\$81,862,914

# Original Georgia Federal AFP Funding and Program Criteria

- FY 2003                      \$1,563,307   Federal Match  
      521,103   State Match  
   \$2,084,410   Total Funds

- Guaranteed Loans
- No minimum/maximum loan limits
- 5% - 7% interest rate
- 6 months – 10 years loan terms
- 15% secured 40% unsecured

# Successful Components of University and Non-Profit Models

## University Based Programs

- Internal supports (fiscal, marketing, other partnerships) grants and contracts can be an issue
- Faculty/Student collaboration for marketing, business plan development
- University name recognition for potential funding opportunities (grant, agency, foundation)
- University administration representation on Board in some capacity

# Successful Components of University and Non-Profit Models, more

## Community Based Non Profits

- Autonomy for decision making
- Potential for self-contained infrastructure
- Allow for broad grant solicitation
- Connection with disability agencies, community based organizations, networking
- Organizational mission align with AFP intent



# Diversified Funding Structures of AFP's

- Primarily dependent on original Federal grant funding
- Funds are leveraged effectively with lending partner(s) relationships through Non-Guaranty and Guaranty loan models
- Additional AFP funds have been acquired through state appropriations, CDFI grants, foundation grants, private philanthropy
- Revolving loan models provide potential for program sustainability but require strong internal infrastructure

# AFP Financial Products and Services

- Loans
- Financial Education
- Credit Counseling
- Credit Improvement
- Wrap around services
  - *Funding*
  - *Supports*
  - *Referrals to other resources*

# Importance of Structure, Policies, and Procedures



Thank you

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