

National Disability Institute

ASSISTIVE TECHNOLOGY LOAN PROGRAM ORIENTATION

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Submitting Questions or Technical Difficulties

For Q&A: Please use the Q&A box to send any questions you have during the webinar to Laurie Schaller.

If you are listening by phone and not logged in to the webinar, you may also ask questions by emailing lschaller@ndi-inc.org.

National Disability Institute

- Our Vision: We envision a society in which people with disabilities have the same opportunities to achieve financial stability and independence as people without disabilities.
- Our Mission: We collaborate and innovate to build a better financial future for people with disabilities and their families.
- Reliable source of COVID-19 information and resources:
[nationaldisabilityinstitute.org](https://www.nationaldisabilityinstitute.org)
- LifeCents Financial Education Tool:
<https://www.nationaldisabilityinstitute.org/financial-resilience-center/take-action/#lifecents>
- Free Financial Counseling / Coaching:
<https://www.nationaldisabilityinstitute.org/financial-resilience-center/take-action/#afcpe>

Orientation Welcome

Many people are interested in learning more about managing their money effectively, improving their credit and qualifying for loans.

- NDI has prepared this presentation to help you understand what assistive technology is, how to select assistive technology, options for purchasing assistive technology and how to prepare a spending plan to reach your goals. I invite each of you to think of a goal that will take money to obtain or purchase. This presentation will help you reach your goal.
- Completing an orientation and a spending plan is important to the loan application process. Participants are not required to apply for a loan.

About the NDI AT Loan Program

NDI received grant funding for the Alternative Financing Program (AFP) through the U.S. Department of Education's Rehabilitation Services Administration.

NDI remote AT Loan Services:

- Provision of referrals, assistive technology loans, and financial education in the communities of New Jersey and New York.
- Offers assistive technology loans from \$500 to \$30,000, at six percent interest or less, for the **purchase or refinance** of assistive technology.
- Works with financial institutions to offer affordable loans to people who need to purchase assistive technology (AT).

The contents of this orientation were developed under a grant from the Department of Education.

However, the content does not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government.

What is Assistive Technology?

Assistive technology (AT) is any technology that can help any person with a disability perform an action that a person without a disability can typically do.

- AT ranges from hearing and, vision aids, smart home systems, stair climbers, standing wheelchairs, home or vehicle modifications, adaptive recreation equipment, business equipment and can be as simple as a working bathtub.

NDI Survey Question # 1:

Will assistive technology vendors sell you something you cannot afford?

Yes, as with anything, vendors are happy to sell you something that you cannot afford or that will not work.

The NDI AFP Resource Guide lists AT lending programs and other sources to ensure you select the best and most cost-effective AT to meet your needs.

assistivetechloans.com

NDI Survey Question # 2

Can you try out assistive technology devices before you buy them?

Yes, there are AT demonstration events held in NJ & NY where you can try out AT.

- You may be able to save money on used or refurbished devices. Your state AT center can help you locate these resources.
- Prior to offering loans, NDI conducted a needs survey and 30 percent of respondents indicated that they had purchased the wrong AT, it was difficult to use or they did not know what AT would help them.
- We encourage you to take your time in selecting your AT.
- NJ and NY AT Resource Guides are posted at: assistivetechloans.com

NDI Survey Question #3

Will an employer, school district, vocational rehabilitation agency or insurance company help pay for assistive technology?

Yes, please refer to the NDI AT Resource Guide:

assistivetechloans.com

The AFP will coordinate the loan with other funding sources.

School District Assistive Technology Funding

School districts may be responsible for providing AT devices for students with disabilities.

- Such devices must be part of a student's Individual Education Plan (IEP).

Drawbacks:

- The district owns the device;
- The district may not allow use of the device at home;
- The district is interested in buying the cheapest device possible.

Health Insurance May Pay for the Cost of Some AT Devices

Generally speaking, a health insurer will only pay for a device that's medically necessary.

Drawbacks:

- You have to have a prescription from a doctor and a report from a specialist (such as a physical therapist or a speech-language pathologist) backing up the medical need for the device.
- Insurers may only pay for devices on a schedule – a new one every so many years.

Employment and AT Funding

State Vocational Rehabilitation Service Agencies, the Commission for the Blind and the Department of Labor may pay for AT devices for individuals who have employment goals.

- New Jersey
 - Division of Vocational Rehabilitation Services (DVRS)
 - New Jersey Commission for the Blind and Visually Impaired (CBVI)
- New York
 - Adult Career and Continuing Education Services-Vocational Rehabilitation (ACCES-VR)
 - New York State Commission for the Blind (NYSCB)

Drawback: Like a lot of other funders, they look for the least expensive alternative.

Purchasing Own Devices / Self-Determination

- Devices can be expensive;
- You may need assistance through loans, grants, crowdfunding, churches, local groups, etc.; and
- You may need to consider insurance for loss, theft or damage;
- If an individual with a disability incurs home modification expenses related to medical or employment purposes, some or all of the cost may be deductible from Federal income tax as a medical expense (IRS Publication 502 and IRS Publication 907).

SSI Work Support for Assistive Technology

A Plan to Achieve Self-Support (PASS) allows an individual with a continuing disability, who is eligible to receive Supplemental Security Income (SSI), to set aside additional income for a short or long term employment goal.

- The savings can be used to purchase assistive technology, to pursue education, engage in business development and increase employment outcomes.
- PASS participants may receive SSI and/or SSDI, but must be eligible for SSI to ensure they do not have more than \$2,000 in countable resources.
- The process of applying for a PASS may take up to 3 months.

SSI and SSDI Work Supports for Assistive Technology

Impairment Related Work Expense (IRWE):

- The purchase or lease of assistive technology for employment may qualify as a work related expense, reducing the countable income for a SSI and/or SSDI beneficiary.

Purchase Essential to Self-Support (PESS):

- A self-employed individual who needs to purchase equipment for work, may be able to have more resources through the Purchase Essential to Self-Support (PESS) work support.

ssa.gov/disabilityresearch/wi/detailedinfo.htm

ABLE Act

The ABLE Act, passed by Congress in 2014, may provide a way, for a person who has an onset of a disability, prior to age 26, to save money to fund a variety of services including assistive technology, personal support services and other qualified disability expenses within their ABLE savings account.

New Jersey and New York offer ABLE savings accounts; other state plans are available to choose from too.

- ABLE savings up to \$100,000 does not impact **SSI**.
- Any amount of Savings does not impact any type of **Medicaid** eligibility.

An ABLE account owner, friends and family, a Special Needs or Pooled Trust may **contribute** up to \$15,000 into ABLE annually. Up to \$15,000 from a 529 college savings account may be rolled into an ABLE account each calendar year.

A person who works and does not have an employer sponsored retirement plan may contribute an additional \$12,490 from their **earnings** into their ABLE account.

This can total **\$27,490 for 2020!**

More information regarding the ABLE Act is available at:

ablenrc.org

NDI Survey Question # 4:

Should family members be included in discussions regarding the spending of money?

- Yes, everyone in the family needs things that cost money.
- Knowing what each person needs is important to planning for purchases.
- Planning and working together towards financial goals can help reduce stress around money management.

NDI Survey Question # 5:

Can a spending plan help families know how much they can save and afford each month?

Yes, when household expenses are listed as monthly expenses, a family can see how much money is needed to afford an item over a period of time, given monthly income.

- Example: If your goal costs \$2,000 and the term of repayment is 2 years, $\$2,000$ divided by 24 months = $\$83.33$ per month. The item is affordable now, if there is at least $\$83.33$ left over in a person's spending plan, at the end of the month and no changes are expected over the next 24 months.

Practice Spending Plan

Please use the practice spending plan that you printed so you can enter your monthly expenses and income as explained during this orientation session.

You will need to submit a completed spending plan if you apply for an AT Loan with NDI.

Example Spending Plan

Rent / Mortgage	\$0	Child Support / Alimony paid	\$0
Household Repairs \$100 - \$300	\$130	Personal Care (haircuts, salon, nails, tattoos)	\$35
Property / School Taxes	\$200	Entertainment	\$40
Heat / Air Conditioning	\$100	Laundry	\$0
Electricity	\$124	Newspapers / Magazines / Books	\$2
Water	\$13	Pet Food and Veterinary	\$40
Groceries (\$327 per adult)	\$327	Gifts	\$20
Insurance (auto / homeowners / life)	\$63	Tobacco / Alcohol / Lottery	\$10
Medical (premium & co-payments)	\$40	Church / Charities	\$40
Telephone / Cell	\$74	Rent To Own	\$0
Cable / internet	\$0	Banking / Money Order fees	\$0
Auto loan	\$345	Emergency Savings	\$20
Auto repairs (\$80)	\$80	Other lessons	\$90
Transportation Costs (parking, fare, gas)	\$90	Other	\$0
Clothing (\$89 - \$100 per person)	\$90	Total Monthly Expenses	\$1,973
Day Care / baby sitter	\$0		
Tuition / after school activities	\$0		

Spending Plan

Generally the spending plan list is arranged in terms of priorities. So, the first thing to pay each month is rent or mortgage.

- We all have choices regarding priorities but paying rent and utilities on time helps a person to stay in their home.

Each Spending Plan line item will need an entry.

- For example: If you paid your mortgage and do not have a home equity loan, trailer or lot rent, enter \$0.
- If you have a monthly housing expense as listed above, enter that monthly amount that you pay.

Rent, Mortgage, Trailer Rent

- If your rent or mortgage is more than 30 percent of your income, you may want to see if you are eligible for rental assistance.
- Some housing options are specifically designed to accommodate persons with disabilities and their family members; rent may be reduced based on household income. There may also be a priority of service for people who receive disability benefits or have a disability.

[hud.gov/topics/rental_assistance](https://www.hud.gov/topics/rental_assistance)

Mortgage Concerns?

- Is your interest rate high?
- Is your house worth less than the mortgage?
- Have you lost your job and are worried about making your monthly payments?

Free help is available at:

portal.hud.gov/hudportal/HUD?src=/topics/avoiding_foreclosure

AT: Home Modification

- You may be able to find home modification funding through a Housing and Urban Development (HUD) grant or your County Department of Health and Human Services.
- There are also grants for weatherization if you need insulation, a new heater or an air conditioner.
- With this help, you may be able to reduce your loan amount and/or save money.
- These resources are listed in the NDI AT Resource Guide.

Household Repairs

It is important to perform regular maintenance on a house.

- If your home is new, you can start saving to replace your roof or heating unit in the future.
- How much do you spend and need to save each month for future repairs?

Savings Tip:

You may want to check with your tax preparer to learn what expenses may be tax-qualified such as insulation, window replacement or replacement of more energy efficient appliances like heating and cooling units or home modifications.

Property and School Taxes

If you own a home, total up your property, school, and local taxes and then divide by 12.

- Enter that amount into your budget.
- If taxes are already included in your mortgage payment enter \$0.

Savings Tip:

Does your state offer a school tax reduction program? You can ask your town assessor. Also, if you think your property taxes are too high, you can ask the assessor what steps you can take to try reduce your property taxes.

Utilities

Enter the monthly average for your heat and or electric bills.

Savings Tips:

Utility companies offer budget balance billing programs that allow billing to be averaged so that the utility bill stays about the same each month. This can make it easier to pay bills timely.

You may also be eligible for LIHEAP, which can help to pay utility bills:
[benefits.gov/benefits/benefit-details/623](https://www.benefits.gov/benefits/benefit-details/623)

If you live in New York and receive SSI, and need help paying your utility bill, ask your utility company about the SSI guarantee program.

Groceries

The USDA suggests that a household spends \$327 on food for one adult per month.

- There are extra costs such as toilet tissue and shampoo.
- Many people make purchases at vending machines, convenience stores and other places.
- This spending needs to be included somewhere in the spending plan.

You may want to track your receipts for one month to know what your average grocery costs are.

Insurance

Insurance is another area where you may need to add up all the different types of insurance you have. Then divide that total by 12 if you pay this once every 12 months.

- Remember to get an insurance quote for your new AT.

Savings tips:

When a person gets rental and auto insurance at the same insurance company, they may save money with multiple policy discounts.

By taking a defensive driving class, a person can save up to 10 percent on auto insurance for three years.

Medical Expenses

Add up any out of pocket costs for medical co-pays and prescription costs and again, divide by 12 to get an average cost per month.

- If you do not have medical insurance, you can learn of your options, including free or low cost plans, available in your state through: healthcare.gov
- Individuals who have a disability and are employed and are eligible for SSI and/or SSDI may be eligible for Medicaid and Medicaid Buy In which allows for increased earnings, savings and may even pay for Medicare Part B Premium each month:
 - NJ: <https://www.state.nj.us/humanservices/dds/services/workability/>
 - NY: https://www.health.ny.gov/health_care/medicaid/program/buy_in/

Telephone/ Cell / Cable / Internet

Bundling your cell, internet and cable plans may be a great way to save on your overall cost. Households that have an individual with a disability may be eligible for telephone or cell phone assistance.

Contact your local company or go to:

- safelinkwireless.com/Enrollment/Safelink/RetrieveDocument/NewPublic/index.html

With internet access, everyone has access to a wealth of information. You may want to explore available services in your area which may include access to a free computer.

- ehow.com/facts_4815920_computers-low_income-families.html

Auto Loan

If you have a vehicle lease or loan please enter your monthly payment amount.

- This AT loan program can provide a loan to purchase a modified vehicle, to modify a vehicle or perhaps to re-finance a vehicle that is less than five years old; this can be negotiated on an individual basis.

For information regarding transportation options for individuals with disabilities, go to:

disabled-world.com/disability/transport/

Auto Repairs

The average cost of auto repairs can be difficult to predict.

- If you are purchasing a vehicle to modify, purchasing a reliable vehicle can save you money in repairs and replacement costs. Consumer Reports lists the most reliable and unreliable vehicles:

<https://www.consumerreports.org/car-reliability-owner-satisfaction/cars-lose-consumer-reports-recommendation-over-reliability-issues/>

For information about the cost of owning a vehicle, go to:

newsroom.aaa.com/auto/your-driving-costs/

Clothing & Community Supports

How much do you spend on clothing purchase? Enter your average monthly expense.

Most communities have clothing closets where clothing and household items and supplies can be low or no-cost. To find clothing closets, and other support services near you,

call: 211.

- National Council On Aging: **Benefits Check-up:**
benefitscheckup.org

Child or Adult Day Care

If you have out of pocket expenses to pay for child care, adult day care, dependent care services, enter the average cost per month.

- These expenses may be tax-qualified. Share this expense total with your tax preparer.
- If there are no costs, enter \$0.

Tuition, After School Activities & Education

Pursuing recreation and education can help you to develop skills that can lead to employment in the future and enrich your life.

- On average, how much do you spend for recreation or education per month?

For recreational ideas for persons with disabilities, go to:
christopherreeve.org/site/c.mtKZKGMWKwG/b.9087173/k.DAD3/Recreation_Resources_for_People_with_Disabilities.htm

Child Support / Alimony

If you pay child support or alimony directly, please enter that out of pocket expense.

- If you do not have a payment or it is taken from your pay, enter \$0.

Personal Care and Entertainment

Do you have expenses for things like haircuts, salon, tanning and tattoos?

- Average those expenses per month and enter.

What does your family do for entertainment?

- Do you have membership fees?
- Do you go to the movies or have a hobby that has some costs?
- Enter the monthly average cost for your entertainment.

If you need some money saving ideas, go to Creating a Zero Balanced Budget Plan at:

nationaldisabilityinstitute.org/resources/online-classroom

Laundry

How much do you spend to do your laundry?

- Sometimes owning your own washer and dryer can save you a great deal of time and money.

For money saving ideas, go to:

laundry.about.com/od/laundrybasics/tp/10frugaltips.htm

Reading Materials

Perhaps you have expenses for newspapers, purchasing books or DVD's.

- Be sure to list these monthly expenses too.
- You can reduce these expenses by using your local library.

Pets

If you have a pet, add up expenses for vet bills, food, lodging and equipment and enter the average monthly expense.

- If your pet is a service animal, some of those expenses may be tax-qualified. Let your tax preparer know of these expenses.

Gifts

How much do you usually spend each year on gifts for birthdays, holidays, graduations, anniversaries and religious events?

- Divide that number by 12 and enter. Now you know how much to set aside each month for those upcoming events.
- Saving for these expenses each month allows you to purchase items on sale, in advance of the event.

Alcohol, Lotteries, Tobacco

How much is your family spending on alcohol, lotteries or tobacco?

- Enter the average monthly expense.

For information about signs of addiction, go to:

rit.edu/ntid/saisd/drugs-and-addiction-facts/gambling

Donations

Perhaps you donate to a church or a charity.

- Enter that monthly average.

Rent-to-Own

If you have a rent-to-own contract, how much are the monthly payments?

- Rent-to-own contracts charge very high fees and payments are not reported in credit reports unless a unit is repossessed.
- Would it save you money to return the merchandise and save to purchase that item used or on sale? This may be an opportunity to save money.

Bank or Credit Union Fees

How much do you pay in bank or credit union fees each month?

- Most banks and credit unions offer free checking and savings accounts. Ask if a free account is available.
- Often there are incentives for opening a new account. There are special offers for youth savings accounts as well.
- If you had concerns with an account in the past, you can request a “second chance account.”

Emergency Savings

Everyone needs to save for emergencies.

- Having savings of three to four months worth of take home pay can help if you are out of work due to injury, illness or job loss.
- How much can you save each month for the unexpected?

You can do this! If you are not sure where to start,
let us know at: info@ndi-inc.org

NDI Survey Question # 6:

Are people who receive SSDI or SSI benefits allowed to work?

Yes, SSI and SSDI beneficiaries are allowed to work to their full potential and use Social Security Administration Work Incentives to help them increase their income while keeping some or all of their benefits for a period of time.

For more information on SSI and SSDI, go to: choosework.ssa.gov

SSI Transitional Youth Y-TAC: ablenrc.org/y-tac-ssi-youth-toolkit

SSI Savings and Asset Limits

SSI beneficiaries need to keep in mind that there are resource limits of \$2,000 for an individual, \$3,000 for a couple; may be more for larger households.

However, there are protected savings opportunities available that allow SSI beneficiaries to save more and continue to receive SSI benefits and Medicaid.

- Family Self-Sufficiency (FSS) through HUD;
- Individual Development Accounts (IDA) for home purchase, business start-up or education;
- Plan for Achieving Self-Support (PASS) to save income towards employment goal expenses; and
- Achieve a Better Life Experience: (ABLE Act)

For information on protected savings, go to:

[socialsecurity.gov/ssi/text-resources-ussi.htm](https://www.socialsecurity.gov/ssi/text-resources-ussi.htm)

Spending Plan Income

Monthly \$ Totals	Monthly Income:	Monthly \$ Totals	Monthly Income:
	Alimony / child support or separate maintenance income do not need to be listed if you do not want it considered as a basis for repaying the requested loan.		Unemployment Worker's Compensation
	Take Home Pay Applicant		Stipend
	Take Home Pay Co-Applicant		TANF
100	Part Time Job		SNAP (food stamps)
	Support / Alimony		Child Care Subsidy
	Pension		HEAP
	Property Income		Rental Assistance (HUD)
	Self-Employment Net Income	1200	Retirement Income
	Dividends		Other
	Veteran's Income		Total Net Income
	SSI		(-) Total Monthly Expenses
	SSDI		(-) Payments to Credit
			Disposable: The total of take home income minus monthly expenses is your disposable income; how much you can afford to borrow and pay back monthly.

Take Home Income

Alimony / child support or separate maintenance income do not need to be listed if you do not want it considered as a basis for repaying the requested loan.

- Most people find that they need to include this income in order to pay their monthly bills and afford the monthly loan repayments.
- If that is the case, submit proof of child support or maintenance for the last year with your loan application.
- When entering your pay, please enter what you deposit or take home on a monthly basis.

Withholdings

If you receive more than a \$500 refund when you file your taxes, you may want to ask your tax preparer if you could change your State and Federal withholdings to have more take home pay for the upcoming year.

- Your refund would be smaller, but having more take home pay may make it possible for you to pay all your bills on time and regularly save for emergencies and retirement.
- These changes can be done on a W-4 or by notifying your SSA or retirement fund representative;
- The IRS provides a detailed instruction guide to assist in calculating tax withholdings: [irs.gov/W4App](https://www.irs.gov/W4App)

Free Tax Preparation

Please keep in mind that there are free tax preparation sites that can help you to qualify for EITC and other credits that help you to have a larger refund.

- There are many expenses that are tax-qualified for a household with a person with a disability. If something was missed, corrections can be made up to three years back: [irs.gov/credits-deductions/individuals/earned-income-tax-credit](https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit)
- To find your nearest free tax preparation site, call **211**.

Co-Applicant

If you rely on someone else to pay some or all of your expenses, that person will need to be on your loan application as a co-applicant.

- Enter their name, social security number, date of birth and income information as well.
- Contact Laurie Schaller with any questions: 202.449.9521

Income

If applying for a loan, please gather proof of all income and be prepared to FAX with your loan application.

For example:

- Last three paystubs;
- HUD / Section 8 award letter;
- Retirement Statement;
- Pension disbursement statement;
- SSI and/or SSDI award letter;
- SNAP (food stamp) award letter;
- Provide proof of any other source of income for the loan applicant(s);
- Voided check for establishing ACH loan payments.

NDI Survey Question # 7:

Can banks, landlords, employers, insurers and credit companies review people's credit reports?

Yes, many people are not aware that others are permitted to look at their credit reports prior to being approved for a loan, insurance, rental or being selected for employment.

NDI Survey Question # 8:

Do banks only look at applicants' credit report scores for loan approval?

No, financial institutions look at applicants' education, income, expenses, extra money, money saved, assets, credit available and used as well as the items listed on a credit report, including the score.

Credit Report

- Each adult, age 18 or older, can get a free copy of their credit report every year: annualcreditreport.com/index.action.
- If you are interested in knowing your credit score, you can order your free credit report and score at: creditkarma.com
- Credit Karma guidance on how to dispute items on your credit report: creditkarma.com/advice/i/credit-karma-direct-dispute
- If applying for an NDI AT loan, the loan program will soft pull your credit report and set up an appointment to review items when your application is submitted to NDI.

Credit Report Items & Scoring

- **Hard Inquiries:** When you apply for credit, each time your credit report is pulled it lowers your score.
- A **soft pull** of your credit report will not change your credit score.
- **Open Lines of Credit:** The total amount available for you to borrow and the amount you have borrowed can improve or lower your score.
- **Closed Lines of Credit:** Paid in full or not used can improve or lower your score.

NDI Survey Question # 9:

Can a creditor list a debt on a credit report for more than seven years?

Yes, accounts show payment history for the period they are in use and seven years from date of delinquency or payment in full.

A judgment for an account can be posted for 10 years and can be renewed. Judgments have been removed from credit reports temporarily; on hold in 2020.

- NJ and NY have **statute of limitations** of six years on all types of **loans**, including those from written contracts and **credit** cards. If a consumer's **debt** is more than six years overdue, the lender can no longer take action in order to collect the **debt, in some cases**.

Credit Report Listing of Public Records

Utilities, child support and tax accounts usually do not show up on a credit report unless they are in collection status. You can prevent collection activities from damaging your credit.

- If you receive notice of a court date regarding a collection, you can go to that hearing and negotiate a repayment plan in an effort to prevent legal action.
- Legal action can include posting a judgment for child support, tax and/or credit accounts, which does significantly lower credit scores. (Temporarily on hold)

How Long is a Bankruptcy Posted on a Credit Report?

- Chapter 11 and 7 Bankruptcies: Up to 10 years.
- Completed Chapter 13 Bankruptcies: Up to seven years.
 - **Caution:** A person who files bankruptcy often ends up paying future creditors more than a person who pays creditors and does not file bankruptcy. People who file bankruptcy suffer with lower credit scores and increased interest rates for years and pay more when borrowing money in the future.
- A bankruptcy can interfere with obtaining some licenses for jobs.

There is a five year waiting period before most mortgages, or this assistive technology loan application, can be approved by a lender, following bankruptcy.

Wise Use of Credit

Opening a checking or savings account is a first step towards building a potential credit relationship and it can save you money over using predatory services such as check cashing or pay day loan services.

- Having a loan for college is a way to develop a credit history and advance one's education and career.
- Sometimes purchasing an energy efficient appliance with a line of credit can save money.

For those who pay rent and/or utilities, you can ask that your timely payments be posted to a credit bureau to help you develop a credit history without borrowing money.

- Is there a store that you make purchases at that also offers credit? Perhaps saving to make another purchase, using the store's credit card and paying the bill in full within 30 days will be an easy way for you to develop credit, without paying extra, for 30 days of borrowing.

Improving Credit

It is best to pay all accounts in full, as agreed.

- It is great when the amount borrowed can be paid in full in 30 days. Otherwise, interest adds to the cost of the item.
- If several accounts are owed, by paying the minimum to the lowest interest accounts and paying more than the minimum requirement to the highest interest account, you can save money.
- When that account is paid in full, you can move on to the next highest interest account.

Settlements

Sometimes a creditor is willing to take a payment of a percentage of the balance owed.

- Before making the payment, request the offer in writing, and make your payment with a copy of the creditor's acceptance of the offer.
- If you save more than \$600 on an account, there may be income tax implications.
- Your credit report will show lenders that when you borrow money, you do not pay it in full. New credit may be offered, but at higher interest rates.

Credit Report Review

The National Federation of Consumer Credit Counseling (NFCC) offers credit report counseling: nfcc.org.

- Items listed on your credit report may not be yours or the date of your last payment may be older than your states' statute of limitation. Therefore, you could ask that it be removed by disputing it.
- NFCC can set up a Creditor Repayment Plan, stopping late fees and lowering interest, as you send in one monthly payment that is distributed to your creditors. You could have all of those accounts paid in full within three years or less!

NDI Survey Question # 10:

If a person has a loan for \$1,000 at zero interest, could they owe more than \$1,000?

Yes, if payments are missed the following fees may be added:
Loan: \$1,000; at zero interest:

- Late fees / 1 – 3 months: \$30;
- Repossession and storage fees: \$600;
- Auction fees: \$100;
- Auction Bid: \$250 may be credited to account;
- Collection agency fees: % of loan; and
- Small Claims fees and interest.

Total until paid in full: \$1,480 or more.

Steps to Consider

- Bring all monthly bills current;
- Make timely payments to creditors;
- Pay off highest interest accounts first;
 - You could reduce the interest you pay over time this way, or you could pay off smaller balances first. Do what works for you.
- Bring child support payments current;
- Negotiate income sensitive repayments to student loans;
- Save for purchases and pay back within 30 days; and
- Save some money for a down payment towards the AT.
 - This will demonstrate your ability to pay and will reduce your monthly payments too.

Limit Additional Credit

During the loan application process and repayment term, it is important to take steps to limit additional borrowing. This will ensure that you can stay current with monthly bills and pay the AT loan on time.

- This strategy may help you to increase your credit score and qualify for new credit in the future.

Loan Review Process

We have a Loan Committee comprised of people who work within the field of disability, health care and employment. More than 50 percent, are people with disabilities.

- Your personally identifiable information is not shared with the loan committee members.
- Decisions are made by consensus. Everyone on the loan committee must agree that the application is either pre-qualified or denied.
- Anyone who does not need a loan at this time is welcome to apply to remotely serve on the Loan Committee:
https://ndiinc.formstack.com/forms/loan_committee_application

What Does the Loan Committee Consider?

- Proof that mortgage, rent and utilities are current;
- Total monthly expenses;
- Total household income;
- Payment history and credit score; (okay if score is low and bills are current)
- AT device or modification requested and cost;
- Down payment; savings to reduce loan request; and
- Personal statement.

Nationally, Alternative Finance Programs (AFP) have secured and maintained repayment rates of 94 percent to 98 percent.

Comparison

Loan	Cost / Term	Interest	Monthly Payment	Payment Total
AT Vendor	\$10,000 / 5 years	16%	\$243.18	\$14,590.83
Credit Card	\$10,000 / 5 years	24%	\$287.68	\$17,268.78
NDI AT loan	\$10,000 / 5 years	6%	\$193.00	\$11,580.00

A NDI AT loan could save **\$3,010** or more while helping the loan recipient(s) develop positive credit.

A person who has a high interest rate AT loan may apply with the NDI AT Loan program for a **refinance loan**.

Loan Application Timeline

Activity	Time
Review AT Fact Sheet	5 minutes
Review Loan Application Instructions & Check List	20 minutes
Research the AT Resource Guide for New Jersey or New York to find the right AT and funding for you.	Your timeline
Complete Orientation and Spending Plan	1 hour to view and complete spending plan
Complete on-line NDI Loan Application, Upload Spending Plan, Verifying Documents	1 hour
Participate in Intake Appointment; review credit report and pre-application	1 hour
Loan Committee Review	Within 2 weeks
Pre-Qualified Loan Packet to Financial Institution, Loan Document Signatures, Loan Provided	Within 10 days

Contact

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Orientations are archived;
Community presentations available