

Setting up an Assistive Technology Loan Program in **10** Steps

**Where to
read more!**

1 *Understand the needs of your target population*

- a. What are the unique needs of people with disabilities?
 - i. How do people who identify with disabilities describe their relationship with mainstream financial institutions and/or fringe lenders?
- b. What factors should your program keep in mind as we specifically design the loan to meet this diverse population's needs?

Part 3:
Understand the
target population
(pages 23-26)

2 *Develop strong partnerships*

- a. What financial capability, social and financial services exist in your community that can compliment a loan program?
 - i. Who can you refer clients to for additional supports?
 - ii. What organizations can help refer good candidates for loans?
 - iii. What organizations or services may be able to offset some of the borrowers costs to minimize loan needs?
- b. What systems do I need to understand to ensure the loan product doesn't create unintended consequences?

Part 3:
Build Strong
Partnerships
(pages 26-29)

3 *Build organizational capacity at all levels*

- a. Do staff have enough time and skills (population specific and lending specific) to offer loans?
- b. What expertise and involvement is needed from the board or organizational leadership?
- c. Will you develop a loan oversight body/loan review committee?

Part 3:
Build Organizational
Capacity
(pages 32-38)

4 *Invest in technology that will allow you to grow*

- a. What loan management software will you use?
- b. How else can you leverage technology to meet the needs of borrowers? committee?

Part 3:
Invest in Technology
(pages 38-40)

5 *Learn about state and federal regulations*

- a. See Appendix B to find your local regulating body and an overview of federal legislation that impacts small dollar lenders.

Part 4:
Federal and State
Lending Regulations
(pages 42-43)

Setting up an **Assistive Technology Loan Program** in 10 Steps *continued*

Where to read more!

6 *Create policies and procedures*

- a. How will you ensure that your policies and procedures are fair and transparent, but flexible enough to meet the needs of your borrowers?
- b. How will you revise and update your policies and procedures as your organization gains experience in providing AT loans?
- c. See Appendix C for a sample of one organization's policy and procedures

Part 4:
Policies and Procedures
(pages 43-44)

7 *Determine allowable loan uses*

- a. Think back to your target populations needs
 - i. What uses will meet your target populations' needs AND assist borrowers in achieving greater financial stability?

Part 4:
Loan Use
(pages 45-46)

8 *Develop clear eligibility and underwriting criteria*

- a. Consider the traditional five C's of underwriting (credit, capacity, capital, character and condition), your mission, and your typical borrowers' financial situation
 - i. What nontraditional underwriting criteria will you use that will minimize risk and increase access to loans for your target population?
 - ii. How will you determine capacity to repay the loan?
 - iii. What type of data and verification will you review and/or require?

Part 4:
Underwriting and Eligibility
(pages 47-50)

9 *Decide on loan amounts, terms, and pricing*

- a. When deciding on loan amount and terms take into account: the varying costs of AT, affordable payment sizes, number of loans your organization plans to provide, and amount of loan capital.
- b. When determining loan pricing, think about market-based, risk-based, and cost-based loan pricing.

Part 4:
Loan Amount, Loan Terms, and Fees and Interest
(pages 51-58)

10 *Build in measures to protect your loan fund*

- a. Think about securing certain loans with collateral and/or embedding a forced savings component, collecting references, or asking for a co-signer on loans.
- b. Create a loan loss reserve

Part 4:
Protecting Your Loan Fund
(pages 59-61)

Start offering loans!