

# October 2021 NHLP Committee Meeting

## Minutes

October 14, 2021  
2:00-3:00 PM EDT



### 1. Opening

Mr. Brandon Palermo called the meeting to order at 2:02. The meeting was recorded. No member presented an issue with being recorded.

Members Present: Mr. Brandon Palermo, Ms. Genevieve English-Charles, Mr. TJ Moon, Mr. Horace Brown.

Staff Present: Mr. Eric Reed

Members of the Public: None

A quorum was established.

### 2. Approval of Agenda

No members of the public commented. Ms. English-Charles motioned to accept the agenda. Mr. Brown seconded and the agenda was accepted.

### 3. Approval of minutes

Minutes from the September 8 committee meeting were presented for approval. Ms. English-Charles motioned to approve the minutes. Mr. Brown seconded the motion. The minutes were approved unanimously.

### 4. New member welcome

Mr. Reed took a moment to thank Mr. Palermo for his new role of NHLP chair and to introduce the new members serving on the committee.

### 5. ACF Report

Mr. Reed provided a brief overview of the ACF report and financial updates since the September meeting. He noted positive changes to many of the tracked past due loans. He discussed two loans that are impacted by borrowers deaths and the committee discussed how to prevent a loss from

a situation like this. It was requested that asking for a nearest relative not living with the borrower be a required section of the application. Mr. Reed will make that an action item for when the website developer adds the application back to the website.

6. SW loan vote

Mr. Reed provided a brief review of the loan request. Ms. English-Charles motioned to vote on the loan. Mr. Brown seconded. The loan was approved unanimously.

7. CDFI / NHP separation updates

Mr. Reed reported that VR had requested a one page bullet point summary of the proposed separation that had been presented to the Department of Education. In follow-up to this summary, the department has requested a 5-7 slide PowerPoint presentation that will be given to the commissioner of the department for review and a decision.

8. Closing

There was no public comment.

The committee decided, due to Veterans Day falling on the next normal meeting date, the November meeting will be moved to Wednesday, November 10<sup>th</sup> at 2:00PM.

Mr. Palermo adjourned the meeting at 2:37.

## Loan Request Memorandum

**Date:** 11/2/2021

**Borrower:** KL-NL

**Amount:** \$784

**Request Type:** Direct-Rescue Payment

**Collateral:** Unsecured

**Terms:** 5.00% / payment plan to be determined with payment in full occurring within two months of final bank guarantee payment. Maturity is April 2026.

**Purpose:** KL has a bank guarantee loan with a current principal balance of \$17,873. KL is the primary borrower. NL is her elderly mother who has spent time in and out of the hospital over the past two years from COVID and other health issues according to KL.

Recently, insurance lapsed on the van due to financial struggles, causing forced placed insurance to be applied by the bank. She was able to get a new policy in place but there is still \$784 of the forced placed insurance fee that must be paid. The bank has allowed 24 months to pay this back but that adds an additional \$33 per month to her monthly payment which is difficult, and she states will not be able to be maintained. She already frequently pays late, adding \$16 per month to the payoff balance each time. The proposal is to pay this amount to the bank, bringing the payment back down to it's normal level of \$340 and allow the program director the ability to set a repayment plan with KL which could include no payments until the maturity of the bank guarantee loan. KL uses her debit card for the current loan payments which is not possible for a direct loan, she is very unreliable in attempts to contact and struggles to maintain organization and follow through on time with obligations, both from a financial state as well as mentally. A set amount, even as low as \$10, will be a struggle to get repaid consistently without continual collection efforts and time and energy from staff. While there may not be quick repayment of this amount, this seems to be the best way to avoid potential default of the bank guarantee loan and FFAST having to workout a new loan for the full amount or potentially repossess the van.

# Loan Request Memorandum

## Committee Member Vote

Name:

Approve

Decline

Request further information from Program Director

Request Committee meeting to discuss



# Alternative Finance Program Separation Justification

Prepared by FAAST, October 25, 2021

# Overview

The Florida Alliance for Assistive Services and Technology (FAAST) is seeking support to create a separate, private 501(c)3 nonprofit for Florida's alternative finance program (AFP), which is currently operated by FAAST. The AFP provides financial loans to individuals for the purchase of assistive technology to advance independence at work, home and in the community.

The AFP is a federally funded program and receives no recurring state contract funding. Services provided through the AFP are separate from any services required through the state contract between the Division of Vocational Rehabilitation and FAAST.

However, since FAAST is a state created entity and a limited portion of the initial AFP funding was a state match, FAAST is seeking the support of the Florida Department of Education before making this change to services. The only state funding FAAST has received for the AFP was through 33% match funding for the creation of the program between 2001-2003 for a total amount of \$633,660 which was previously used for program operations and loan funding expenses.

# State Impact/Benefit

This separation would not have a fiscal impact on the state.

FAAST has a contract with the Division of Vocational Rehabilitation which includes funding for and the reporting of multiple categories of services and programs, however, the AFP is not one of these.

The new entity would continue to report activities to FAAST which would be included in annual reports, federal Annual Progress Report and any reporting for the states benefit.

# FAAST Oversight

The new entity would be formed with the goal of continuing the mission of FAAST as well as maintaining a strong partnership with FAAST.

The following would be included in the new entity bylaws:

- All programs would only serve individuals with disabilities.
- FAAST would be represented on the new entity's Board of Directors.
- In the event of dissolution, FAAST would be the controlling entity of funds.
- All funds transferred from FAAST to the new entity will continue to be restricted for AFP loans.



# Justification for Creating New Nonprofit

The primary purpose of separation is to apply for Community Development Financial Institution (CDFI) certification.

The CDFI fund expands the availability of credit, investment capital, and financial services for underserved populations, with a growing focus on the financial needs of the disability community.

FAAST, as the states Assistive Technology Act program, does not qualify for certification since it is not primarily a financing entity and due to FAAST receiving more than 50% of its operating budget from government entities.

# Current Growth Restraints

The financial loan program continues to see year over year growth but is restrained from aggressive campaigns to significantly increase financial services due to sustainability needs versus limited opportunities for capital increases.

The federal oversight agency, Administration for Community Living, issues limited competitive grants, typically every two to three years, with about four to six out of over 40 programs receiving funds (typically \$400,000-\$700,000).

FAAST has received one AFP grant since 2003 for \$625,000.

# Serving more Floridians with Disabilities

Separation would allow for significant additional funding for the AFP creating the opportunity for the development of new financial products and programs for individuals with disabilities while maintaining sustainability of the program.

As an example, four AFP's that are separate entities in other states have received a total of \$5.6 million since 2019 from CDFI funds.

# Broad Support of this Separation

This proposed separation has the approval of:

- Administration for Community Living
- Assistive Technology Advisory Council (FAAST's board of directors)
- FAAST's external legal counsel

This proposed separation has the support of:

- Florida Division of Vocational Rehabilitation leadership
- Florida Division of Vocational Rehabilitation legal counsel

# FAAST Contact Information

Whitney Doyle, Executive Director, FAAST  
(850) 487-3278 ext 107, [wdoyle@faastinc.org](mailto:wdoyle@faastinc.org)

Eric Reed, Financial Loan Program Director, FAAST  
(850) 487-3278 ext 104, [ereed@faastinc.org](mailto:ereed@faastinc.org)