

**COMMONWEALTH OF VIRGINIA
ASSISTIVE TECHNOLOGY LOAN FUND AUTHORITY
Board of Directors Meeting**

Adopted by Board of Directors on March 14, 2013

January 17, 2013

MEMBERS PRESENT

Dean Bonney, Chair
David (Dack) Axselle, Vice-Chair
Keri Hughes
Ron Lanier
Brian Taylor

ABSENT

Michael VanDyke
Rose Ann Janis, Treasurer
Barb Ostrander
Jay McLaughlin

ALSO PRESENT

Sandra Prince, Acting Executive Director
Christy Crowther, Program Manager
Joe Stepp, Financial Director

CALL TO ORDER

The Assistive Technology Loan Fund Authority Board of Directors met for a regular quarterly meeting at the office of ATLFA, 1602 Rolling Hills Drive, Suite 107, Richmond, Virginia on January 17, 2013. Dean Bonney, Chair, called the meeting to order at approximately 10:05 AM.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

Dean Bonney, Chair, asked Board members to review the minutes of the October 11, 2012 meeting as presented. **A motion was made by Keri Hughes to approve the October 11, 2012 minutes as presented. The motion was seconded by Dack Axselle, Vice-Chair, and unanimously carried.**

PROGRAM

Old Business

No old business to be brought forward.

Financial Report

Joe Stepp, Financial Director, requested that Board members refer to the statement of net assets as of December 31, 2012 and statement of revenues and expenditures from July 1, 2012 through December 31, 2012 with comparative information for FY 2012 provided to them in the Board packets. Mr. Stepp discussed the line items of the net assets and statement of revenues and expenditures. The total net assets as of December 31, 2012 are \$10,312,628. Loans receivable as of December, 2012 are \$1,467,263.

The actual net expenditures in excess of revenues as of December 31, 2012 were negative \$150,641 versus 2012 with a negative of \$155,934. Mr. Stepp discussed the comparison of loan data with graphs that were provided in the Board packets. He noted that loans have increased by \$100,000 since July 1, 2012. For the first half of FY 2013, 49 direct loans were booked totaling \$430,445 and 7 loans to SunTrust totaling \$246,095. Three loans were guaranteed to SunTrust totaling \$73,436. Mr. Stepp noted that the SunTrust loan guarantees outstanding at December 31, 2012 is \$390,752.

Joe Stepp, Financial Director, provided a chart of the summary of the most recent direct loan payments as of December 31, 2012. He noted approximately 98% of the loan holders have paid within the last 60 days. The annual loan program default rate as submitted to RSA is 2.1% based on the value of the loans. Mr. Stepp noted that ten loans totaling \$29,000 have been written off as of December 31, 2012, with five being deceased and five having made no payments. Dean Bonney noted that the financial data looks good for the first half of FY 13.

Chairperson's Report

Dean Bonney, Chair, noted that the Board is not at full capacity since there are still three slots that need to be filled by the Governor. Mr. Bonney also discussed the upcoming officer election and succession of members into the officer roles. He noted that Dack Axselle is currently Vice-Chair and Roseann Janis is Treasurer, but these two individuals have served two terms in the officer positions and will have to move up if they choose. Keri Hughes noted that she would be willing to fill any role in which she is needed. Mr. Bonney noted that election of officers will be held at the June meeting to be effective July 1, 2013.

Mr. Bonney stated that he and Sandy Prince met with the legislative aides for Delegates Toscano, Hope and Brink regarding the Consumer Service Grant Program legislation recommended by the Disability Commission. Mr. Bonney noted that he also met with Senator Favola to discuss the budget amendment for Senate Finance. Delegate Tuscano will introduce the House Appropriations budget amendment and Senator Favola will introduce the Senate Finance budget amendment. Mr. Bonney noted that he will update the Board on the status of the amendments as they hopefully move forward.

ATLFA Loan Program Data

Sandra Prince, Acting Executive Director, provided the Board with an update on loan program data included in the Board notebooks. She noted that included under the loan program data is the loan activity summary report from October 1, 2012 through December 31, 2012. She noted that Loan Committee had met during the months of October, November and December and reviewed 53 applications totaling \$655,391. Twenty-five (25) direct loans were approved totaling \$363,353 and twenty-five (25) applications were declined. Four applications were submitted to SunTrust and two applications were approved. Ms. Prince also briefly discussed updates on special initiatives/legislative activity, agency administration and marketing events since the last Board meeting as outlined in the handout. Ms. Prince noted that approximately 950 brochures have been distributed since the last Board meeting. She noted that ATLFA will be exhibiting at the first annual Senior and Caregivers Expo on February 2 and that Radio One had developed an ad for ATLFA as part of the entrance fee to be aired prior to the expo. She also noted that the ATLFA will exhibit again this year at Care Connections for Children in April at the Children's Museum.

NEW BUSINESS

Approval of Strategic Plan

Dean Bonney, Chair, noted that the strategic plan developed as a result of the planning held prior to the Board meeting in October was included in the Board packets for review and discussion. **After discussing the three major goals and objectives proposed by the Board, a motion was made by Brian Taylor to adopt the Strategic Plan for 2013 as presented. The motion was seconded by Keri Hughes and unanimously carried.**

Loan Payments by Credit Card/Phone

Sandra Prince, Acting Executive Director, noted that the proposed payment by Debit/Credit Card or Check by Phone was included in the Board notebooks. Mr. Prince noted that ATLFA staff met with a representative of SunTrust Bank on the details of implementing payments using debit or credit cards or check by phone. Joe Stepp, Financial Director, discussed the details of the proposed system and noted, if approved, the Fiscal Procedures manual would be changed accordingly. The proposed payment plan would provide another tool for consumers to make payments and a tool for ATLFA to collect delinquent accounts. **After discussion, a motion was made by Keri Hughes to adopt the proposed loan payments by credit /debit card or check by phone as presented. The motion was seconded by Brian Taylor and unanimously carried.**

Discussion on Temporary Suspension of Current Bankruptcy Policy

Sandra Prince, Acting Executive Director, stated that the suspension of the current bankruptcy policy had been brought up at the Loan Committee meetings as a result of the number of applications reviewed that had recent bankruptcies. Dean Bonney, Chair, stated that he feels that the Loan Committee is seeing more bankruptcies as a result of the economic times and felt that this issue should be discussed by the full Board. After much discussion regarding the pros and cons of temporarily suspending the bankruptcy policy, it was the consensus of the Board that the current policy remains in place. The Loan Committee will continue to review each application with bankruptcy within the past two years on a case by case basis.

Discussion on Loan Forgiveness by Loan Committee

Sandra Prince, Acting Executive Director, stated that a hardship case received by ATLFA staff for consideration of loan forgiveness based on certain criteria is currently approved by the full Board of Directors. Since the Board only meets quarterly and the Loan Committee meets monthly, it would be advantageous for the Loan Committee to consider forgiving a loan based on information received in order for the loan to be written off in a timely manner. By the time the hardship information is received, the loan is already approaching the 180 day write off according to policy. Any loans that are forgiven by the Loan Committee would be reported to the full Board at its next scheduled meeting. **After discussion, a motion was made by Dack Axselle, Vice-Chair, to change the existing policy language for loans to be forgiven by the Loan Committee and reported to the Board of Directors at its next scheduled meeting. The motion was seconded by Keri Hughes and unanimously carried.**

Discussion on Indexing Interest Rates

Dean Bonney, Chair, stated that he would like for the ATLFA to be more competitive in the new vehicle market, but would have to consider indexing interest rates based on rates from other financial institutions. He noted that ATLFA has lost excellent loans to other lenders because ATLFA could not adjust its interest rates. The adjusted rates for

consumers will be based on credit history and age of vehicles to be purchased. **After lengthy discussion, a motion was made by Keri Hughes to index interest rates on new vehicles or used vehicles with model year no less than current year until October 1 of that year. The motion was seconded by Dack Axselle and unanimously carried.**

A motion was made by Keri Hughes that the index rate will be determined by the six month LIBOR (London Interbank Offered Rate) on the date of the Board meeting plus 3% until changed with a ceiling of 5%. Six month LIBOR is based on Bankrate.com. Indexed rate becomes effective the 1st day of month following Board meeting. The motion was seconded by Dack Axselle and unanimously carried.

A motion was made by Keri Hughes that the current established index rate will be 3.49% to be effective February 1, 2013. The motion was seconded by Dack Axselle and unanimously carried.

CLOSED SESSION

Dean Bonney, Chair, made the following motion to go into closed session: I, Dean Bonney, move that the Board convene in closed meeting pursuant to Virginia Code Section 2.2-3711A(1) and A(4) for discussion of personnel issues, loan approvals and other Board matters that are appropriate. Additionally I move Sandra Prince, Acting Executive Director and, if necessary, staff members Christy Crowther and Joe Stepp, attend the closed meeting because their presence will aid the Board in its consideration of these matters. The motion was seconded by Keri Hughes and unanimously carried.

RESULTS OF THE CLOSED SESSION

Dean Bonney, Chair, convened the Board meeting in regular session.

Dean Bonney, Chair, state that a roll call vote will be held and all those who certify to the best of their knowledge that only business lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and that only business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting certify by stating your name and saying "Yea". Those who do not certify say "Naye".

Yeas – Axselle, Hughes, Bonney, Lanier, Taylor

Nayes – None

A motion was made by Keri Hughes that the loan be forgiven in the amount of \$7,624.96 due to hardship as presented. The motion was seconded by Dack Axselle and unanimously carried.

During closed session, the Board members reviewed and discussed the delinquency report as presented. The Board members also reviewed and discussed the Loan Committee activity report from October 1, 2012 through December 31, 2012.

Dean Bonney, Chair, adjourned the meeting at 12:40 PM. The next Board meeting is scheduled for March 14, 2013 at the ATLFA, 1602 Rolling Hills Drive, Richmond, Virginia.