

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

Adopted by Board of Directors on March 19, 2014

September 19, 2013

MEMBERS PRESENT

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

ABSENT

Michael VanDyke
Rose Ann Janis, Treasurer

ALSO PRESENT

Sandra Prince, 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 September 19, 2013. David Axselle, Chair, called the meeting to order at approximately 10:05 AM.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

David Axselle, Chair, asked Board members to review the minutes of the June 20, 2013 meeting as presented. **A motion was made by Brian Taylor to approve the June 20, 2013 minutes as presented. The motion was seconded by Jay McLaughlin and unanimously carried.**

PROGRAM

Old Business

There was no old business brought forward.

Financial Report

Joe Stepp, Financial Director, requested that Board members refer to the final statement of net assets as of June 30, 2013 and final statement of revenues and expenditures from July 1, 2012 through June 30, 2013 with comparative information for FY 2012 provided to them in the Board packets. Mr. Stepp discussed the net assets and statement of revenues and expenditures. The total net assets as of June 30, 2013 are \$10,205,591. Loans receivable as of June 30, 2013 are \$1,375,496.

The actual net expenditures in excess of revenues as of June 30, 2013 were negative \$257,678. Mr. Stepp discussed the comparison of loan data with graphs that were provided in the Board packets. He noted that 94 direct loans have been booked through June 30, 2013 totaling \$1,101,480. Mr. Stepp noted that the SunTrust loan guarantees outstanding at June 30, 2013 is \$287,843. The SunTrust non-guaranteed loan portfolio outstanding as of June 30, 2013 is \$1,075,307.

Mr. Stepp also provided a bar graph of loans made with write-offs from FY 09 through FY 13 to date and a bar graph of the direct loan portfolio at year end. A pie chart of loans by amount from July 1, 2013 through September 15, 2013 was provided for discussion. Mr. Stepp noted that this was a record high for direct loans. A discussion also followed on defaulted accounts and the default rate.

Mr. Stepp also provided in the Board packets for discussion an update of the Financial Model as of September 2013. The update outlined assumptions, unknown risks, short-term results, long-term impacts and recommendations for moving forward.

ATLFA Loan Program Data

Sandra Prince, 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 June 1, 2013 through August 31, 2013. She noted that Loan Committee had met during the months of June, July and August, 2013 and reviewed 35 applications totaling \$645,087. Twenty-four (24) direct loans were approved totaling \$450,314 and fourteen (14) applications were declined. Two applications were submitted to SunTrust with two being 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 500 brochures have been distributed since the last Board meeting.

Dean Bonney discussed progress to date on meetings he has held with legislators around the state relative to potential funding for the consumer service grant program. He also provided an update on his attendance at Remote Area Medical in Wise, Virginia in July.

NEW BUSINESS

Indexing of Interest Rates

Sandra Prince, Executive Director, noted that the interest rate needs to be updated for the new quarter based on the current LIBOR of 0.38. **After discussion, a motion was made by Keri Hughes, Vice-Chair, that the Board set the interest rate for new vehicles or vehicles no older than two years based on the current year model to 3.38% effective October 1, 2013. The motion was seconded by Dean Bonney and unanimously carried.**

Performance Metrics

Joe Stepp, Financial Director, noted that a copy of the performance metrics with deliverables was included in the Board packets and discussed the deliverables under each performance metric. The Board discussed in depth the collection activity and ways to monitor the default rate. The Board also requested that staff look at other state loan programs as to whether Virginia is within the default range of other states.

Revised Collection Policy on Past Due Accounts

Sandra Prince, Executive Director, discussed the draft policy that was developed as a recommendation of the last Board meeting in order to write off past due accounts with principal balances less than \$350 and no payments in the past 90 days. **After discussion, a motion was made by Dean Bonney to accept the change in policy for writing off past due accounts with principal balances less than \$350. The motion was seconded by Keri Hughes, Vice-Chair, and unanimously carried.**

Termination of SunTrust Agreement

Sandra Prince, Executive Director, referred the Board members to the SunTrust termination of loan program agreement discussion paper included in the Board packets. Ms. Prince noted that ATLFA was notified by SunTrust that they would terminate their agreement with the loan program effective December 31, 2013. A discussion was held regarding the pros and cons of not partnering with another banking institution. It was the recommendation of the ATLFA that funds be used to make all approved loans in house for at least a year and not enter into an agreement with another banking partner. **After further discussion, a motion was made by Brian Taylor that the Board move forward on the ATLFA recommendation of not partnering with another banking institution for a one year period. The motion was seconded by Keri Hughes, Vice-Chair, and unanimously carried.**

Approval of Annual Report

Joe Stepp, Financial Director, referred the Board to the copy of the annual report that was developed for submission to the Governor and General Assembly. If approved by the Board, the report will be submitted by October 1 with a letter signed by the Board Chair. **A motion was made by Dean Bonney to approve the annual report as presented. The motion was seconded by Barb Ostrander and unanimously carried.** The Board members thanked the staff for an excellent report.

2014 Meeting Dates

It was the consensus of the Board members to move the meeting date from Thursday to Wednesday with the quarterly meeting dates as follows:

**January 22, 2014
March 19, 2014
June 18, 2014
September 10, 2014**

CLOSED SESSION

David Axselle, Chair, made the following motion to go into closed session: I, David Axselle, 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, 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

David Axselle, Chair, convened the Board meeting in regular session.

David Axselle, Chair, stated 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, McLaughlin, Ostrander, Bonney, Hughes, Lanier, Taylor

Nayes – None

During closed session, the Board members reviewed and discussed the current delinquency report as presented. The Board members also reviewed and discussed the Board detail activity report for loan decisions by the Loan Committee as presented for the period June 20, 2013 through August 31, 2013.

A motion was made by Keri Hughes, Vice-Chair, to forgive the loan discussed in closed session due to the hardship case in the amount of \$4,345.53. The motion was seconded by David Axselle, Chair, and unanimously carried.

David Axselle, Chair, adjourned the meeting at 12:45 PM. The next Board meeting is scheduled for January 22, 2014 at the ATLFA, 1602 Rolling Hills Drive, Richmond, Virginia.