

New Mexico Tele-Work Policies and Procedures

1. Purpose

The New Mexico Technology Loan Council (NMTLC) will administer all Federal and State funds appropriated and invested for the New Mexico Tele-Work Loan Program (NMTLP) hereafter referred to as the Seed Loan Program. These Policies and Procedures establish the initial process to assist New Mexicans with Disabilities regardless of type of disability, age, income level or location of residence in the State. The purpose of the program is to make loans available for needed equipment and related supplies, for home based businesses or Tele-Work employment. These policies and procedures may be updated as necessary. The Program provides loan guarantees, and interest rate subsidies to help people with disabilities work independently. The policies and procedures contained in this document shall establish the guidelines for operating the Program. The NMTLC is the Community Based Organization (CBO) duly authorized to administer all funds of the NMTLP.

2. Program Administration

The NMTLC will administer the NMTLP program and will ensure that staffing for the NMTLP is adequate and in accordance with program needs.

A) Duties of the NMTAP staff:

To carryout the following duties in the staffing of the Seed Loan Program by the New Mexico Technology Assistance Program (NMTAP) Project Staff will provide the following technical support:

1. Review and process the initial Seed Loan Program application within 3 business days.
2. Develop online applications using Agency Websites. An application for program services will be developed and provided in multiple formats.
3. Recruit and assist consumers regardless of type of disability, age, income level, location of residence in the State, or type equipment requested through the program.
4. Assist all individuals regardless of type of disability, age, and income level, location of residence in the State with applications to NMDVR or other appropriate services.

5. Assist all individuals regardless of type of disability, age, income level, location of residence in the State with small business planning.
6. Assist individuals regardless of type of disability, age, and income level, location of residence in the State with identification of resources, goods or services that would assist them in successfully engaging in Tele-Work or self-employment.
7. Print and distribute promotional materials in alternative formats.
8. Distribute loan applications to various agencies and applicants statewide.
9. Provide information and referral for Consumers regardless of type of disability, age, income level, or location of residence in the State who are interested in Home Businesses and working in remote locations.
10. Receive all loan applications and provide approved release of information for consumers regardless of type of disability, age, income level, location of residence in the State interested in loans.
11. Maintain and store copies of completed applications.
12. Transfer original completed application to lending institution(s).
13. Receive, record, and file lending institutions documents relating to loan disposition.
14. Prepare all loan applications for NMTLC review and consideration.
15. Monitor individual loans.

B) Duties of the NMTLC:

The NMTLC will serve as the administrator and investment manager of the funds through an agreement with the New Mexico Division of Vocational Rehabilitation, the administrative agency for the NMTAP and hereafter referred to as the Agency. The NMTLC will contract with a financial institution, organization or State-financing agency that will facilitate the loan guarantee and interest-rate subsidy elements of the Program. Under the direction of the NMTLC the Program will be able to:

1. Solicit, receive, and disburse funding to guarantee or buy down interest;
2. Minimize the costs of administration;
3. Benefit from the expertise of professional money management, and
4. Solicit and distribute donated equipment and technology.
5. The Agency is the Program's current fiscal manager until the NMTLC is operational and able to accept the responsibility for fiscal management.

Based upon the recommendations of the review Committee, the NMTLC may approve or deny a loan application. At its discretion, the NMTLC may also request additional information from the consumer. In addition, the NMTLC duties shall also include the following:

1. Establish or amend lending criteria and application process;
2. Review all applications and exercise discretion for guarantee and interest buy-down eligibility;
3. Formulate subcommittees;
4. Develop community outreach initiatives;
5. Strategic planning;
6. Fund raising.
 - a. The NMTLC must submit an annual report to the DVR Agency and the Rehabilitation Services Administration (RSA) at the end of the funding period.
 - b. The NMTLC may amend these policies and procedures upon a 2/3 two thirds vote of its members:

- c. Vote on membership;
- d. Vote on approval of minutes;
- e. Vote to designate a member to represent NMTLP at various meetings, gatherings, etc. that may relate to equipment or other disability related issues.
- f. Vote to establish sub-committees and their membership as deemed appropriate by NMTLP in consultation and approval of the Director of NMTLP.
- g. Vote on commenting to or responding to individuals or organizations concerns.
- h. A member may abstain from voting on any occasion requiring a vote.

C) Composition of the NMTLC

The NMTLC shall consist of nine members. A majority of the NMTLC members shall consist of persons with disabilities, parents or guardians of persons with disabilities. One member shall have a financial background in the lending industry, one member shall have a successful small business background, one member shall be from the Division of Vocational Rehabilitation, one member shall be from the Commission for the Blind, one member from the NMTAP Project, one member shall be from a small business assistance service, the remaining (3) members shall be individuals with disabilities who demonstrate a knowledge of disability and business issues and are representative of the State of New Mexico geographically and ethnically.

The NMTLC will strive to ensure that the membership of the NMTLC is reflective of the diversity of the New Mexico disability community. The NMTLC shall elect a Chairperson who shall be a member of the NMTLC. The responsibility of the Chairperson will include preparing the agenda, conducting the meetings, and voting only in instances of a tie vote of the NMTLC members.

The NMTLC shall hold monthly meetings to review the Loan Review Committee's recommendations in Executive Session and conduct other business as necessary. A meeting

must constitute a quorum of the NMTLC and the Committee. A quorum of the NMTLC and Committee shall be a simple majority of its respective members. Meetings may be held by conference telephone or similar communications equipment so that all persons participating in the meeting can conveniently communicate with each other. The Program Director or the NMTLC Chairperson may call additional meetings necessary to transact business of NMTLP. All NMTLC members may submit requests to add agenda items to the Program Director or NMTLC Chairperson at least 5 working days in advance of the next planned meeting. NMTLC meetings will set aside time for public comment and be in compliance with the New Mexico Open Meetings Act and include telephone-conferencing when necessary.

Any NMTLC member who has, or whose relative has, a substantial interest in any contract, sale, purchase or service of the NMTLC shall make known that interest to the NMTLC.

D) Loan Review Committee:

The NMTLC shall form a subcommittee known as the Loan Review Committee. The Loan Review Committee will meet monthly to review loan applications and make recommendations to the NMTLC. The Loan Review Committee may meet more frequently if extenuating circumstances warrant.

(1) The Loan Review Committee shall consist of three members of the NMTLC, which will rotate membership from the NMTLC on a quarterly basis.

(2) The Loan Review Committee may consult with a representative from a participating lending institution.

(3) The duties of the Loan Review Committee will consist of reviewing loan applications that are rejected by the participating lending institutions and making recommendations for approval or disapproval to the NMTLC.

E) Records:

1. Minutes of NMTLC meetings will be distributed to all members and kept at the NMTLP administration office, Division of Vocational Rehabilitation, and will be available for public record consistent with

New Mexico and Federal law. Minutes of the Executive Session will not be available for public inspection.

2. Past minutes of NMTLP meetings shall be distributed to the entire NMTLC and approved by simple majority of the NMTLC and shall be reflected in the minutes.

F) Operations:

1. Expenses reimbursement of NMTLC member expenses for doing NMTLP business will be according to State of New Mexico policies and procedures.
2. Services for the NMTLP will be reimbursed for actual expenses beyond those provided through the NMTAP Program RSA Award.
3. NMTLP working through the NMTAP Information and Referral Services will refer consumers to the NMTAP Program staff will provide information and referral to all parties who inquire about the loan program. The Program may recommend sources for identifying alternative devices and funding refer individuals to other agencies that may assist them to secure equipment, related supplies, devices and services, and offer other related assistance as needed. The Program will not require anyone to accept this service.
4. Interest Rate Subsidies: When funding permits, the Program may "buy down" interest rates on loans to provide affordable monthly payments for borrowers.
5. Loan Guarantees: The Program may only guarantee loans for applicants who are denied by the lending institution based on the NMTLC criteria. To be eligible for a loan guarantee, an applicant must demonstrate an ability to repay the loan, must be creditworthy, and must meet the Program criteria.
6. Consumer Support Services: The Program may offer consumer support services as needed through the NMTAP Project. Pre-loan support services may consist of assisting borrowers to select equipment and vendors, apply for alternative financial aid, and apply for loans, and purchase equipment and related supplies. Post-loan support services may involve credit counseling or assistance in resolving payment problems. Consumer Support Services is an optional service, but may be strongly suggested for borrowers who fall behind on their loan payments.

3. Application and Loan Process:

1) Initial Contact: The Program will respond to all requests of persons who inquire about the loan program and offer information and referral (i.e. recommend sources for identifying alternative devices and funding refer individuals to a list of other agencies that may assist them to secure equipment and related supplies or other devices and services, and offer other related assistance as needed).

2) Application: The Seed Loan Program application will include the following information and required attachments:

- i. Approved Signed Release of Information;
- ii. Nature of the applicant's disability;
- iii. Nature of relationship to the person with a disability who will use the equipment;
- iv. Description of equipment and related supplies being requested and how it will assist with business operation;
- v. Amount of loan request including costs of device purchase, extended warranty, service agreement, insurance training, maintenance and repair of existing equipment; and equipment installation services;
- vi. Date of any past VR applications;
- vii. Itemized price quotes for all equipment and related installation services to be purchased with the loan;
- viii. Total monthly gross income including earned income and unearned income and a description of income sources;
- ix. Total monthly installment payments including rent or mortgage, credit card payments and unsecured loans;
- x. Total assets, including motor vehicles, homes, and other real or personal property that require licensing and title;
- xi. Must have a relationship with a financial institution or be willing to establish a relationship with a financial institution;
- xii. Signed statement verifying truthfulness and accuracy of all information submitted;
- xiii. Approved and Signed statement-authorizing release of information about the applicant between the Program and participating lender(s);
- xiv. The lender application will be the lender's standard consumer loan application form;
- xv. Application Completion: The Program will offer any needed assistance to complete the application forms. The applicant may receive help from Program staff or may elect to receive consumer support services;
- xvi. Initial Application Review: Upon receipt of an application, the NMTAP Project will assign a case number to the application (for reasons of confidentiality) and will perform an initial review to verify that the applicant is seeking a loan for equipment for an individual with a disability.;
- xvii. At its discretion, if the NMTLC needs additional information to verify the need for and appropriateness of the equipment; it may require evaluation reports, physician's orders, or other documentation.

A) Criteria for Loan Guarantees:

1. The Program may provide loan guarantees for borrowers who regardless of type of disability, age, income level, location of residence in the State:
 - a. Are current New Mexico residents;
 - b. Have the legal capacity and/or ability to enter into a contractual relationship with the lending institution;
 - c. Demonstrate they will use loans to purchase equipment for one or more New Mexico residents with disabilities;
 - d. Are able to repay their loans and demonstrate sufficient credit worthiness; and
 - e. Have an existing relationship with a financial institution or be willing to establish a relationship with a financial institution.
- b) The NMTLC will use the following specific standards to determine whether to approve of loan guarantees:
 - a. Standard
 - (1) Borrower who owns or rents his or her own residence and demonstrates that payments have been on time for at least the past year or can demonstrate a stable living environment;
 - (2) Generally, a borrower who has little discretionary income and is living in government or family subsidized housing should assure that the living arrangements would not change in the near future. Should income increase due to the equipment purchase (e.g. the individual will start a job), the NMTLC will generally waive this requirement.
- c) Length of time at residence:
 - a. Generally, the applicant should have a minimum of one year's length of stay, unless:
 - (1) A recent move was necessitated by a job change or promotion, or
 - (2) The individual's disability necessitated a recent move (examples: need for a more accessible living situation, need for public transportation, lower income required less expensive residence, etc.)

d) Length of time at present job:

a. Applicants should generally have a minimum of one year's continuous employment, unless:

- (1) Change is related to recent promotion or career advancement, or
- (2) Change of employment is related to the disability.

e) Unemployment:

a. The NMTLC may consider approving guarantees for unemployed applicants who have the ability to repay loans, are creditworthy; have stable living arrangements and a current relationship with a financial institution.

f) Gross Income:

a. The Program has no specific income requirements for a guaranteed loan.

g) Deposit relationships:

a. In order to demonstrate stability, the applicant should generally have an existing relationship with a financial institution or be willing to establish a relationship with a financial institution.

h) Credit History:

a. Applicants with a questionable credit history will require additional information and verification. The NMTLC will carefully consider credit records and may deny loan guarantees for applicants with unjustified poor credit. Credit history priorities are as follows:

- (1) No adverse credit history;
- (2) Good credit within the past year. Previous credit problems have been worked out with the creditors, and/or debt load and other expenses have been reduced. Additional documentation may be required;
- (3) Poor credit history, including bankruptcy, may be excused if related to the individual's disability, provided the individual has taken appropriate steps to resolve the credit problems (e.g., negotiating repayment schedules with current creditors, reducing debt load and living expenses, securing employment). Certain slow pay situations will also be considered (e.g. over 30 days past due);

(4) An applicant who lacks acceptable credit may provide a qualified co-signer.

i) Debt to income ratio:

- ✓ The Program will generally consider a 50% debt to income ratio if the borrower can adequately document sufficient cash flow to make loan payments.
- ✓ Individuals with subsidized living arrangements may qualify for a guaranteed loan even if their debt to income ratio exceeds 50% if they have sufficient income to pay for all living expenses, monthly loan payment, and all other debt.
- ✓ The NMTLC will consider as income increased Supplemental Security Income (SSI) payments secured through SSI work incentives (i.e. Plans for Achieving Self Support (PASS), Blind Work Expenses (BWE)).
- ✓ The NMTLC may approve loans to individuals who have additional future income, which is readily verifiable.

B) Criteria for Interest Subsidies:

1. Maintaining Affordable Monthly Payments. If funding permits, the NMTLC seeks to ensure that borrowers retain 50% discretionary income after all debt payments, including equipment loan payments. The NMTLC will consider interest subsidies for borrowers who may have difficulty affording loan payments with out subsidies. The NMTLC seeks to ensure that borrowers retain 50% discretionary income after all debt payments, including equipment loan payments.

2. If an equipment loan at the standard interest rate would cause the borrower's discretionary income to fall below 50%, the NMTLC will consider the following options:

C) Extend the loan term:

The Program may consult with the borrower and the lender to lengthen the loan term, provided the term does not exceed the useful life expectancy of the equipment to be purchased.

D) Provide an interest subsidy:

If funding permits, the NMTLC may provide an interest subsidy to enable the borrower to retain more discretionary income. The NMTLC will attempt to provide a subsidy sufficient to keep the loan payment low enough for the borrower to retain 50% discretionary income. The NMTLC

will choose the more cost-effective option (i.e. interest buy-down subsidy) after comparing the cost of each.

- a). Limits on Interest Subsidies: The NMTLC will not generally provide an interest subsidy that exceeds the following limits:

Interest Subsidies may not generally exceed the lesser of:

- (1) The amount needed to provide an interest rate of 0%
 - (2) 35% of the principal amount of the loan, or
 - (3) \$3,000
- b) The NMTLC may, at its discretion, approve interest subsidies that exceed these limits if such exceptions are substantially justified and would serve the purposes of the Program.

E) General Loan Requirements:

- a) Loan Amounts: Loan amounts will be from \$1,000 to \$30,000 depending on the agreement with the lender.
- b) A business plan will be required with applications noting start up or expansion of a home based business.
- c) Loan Period: Loan periods will be from twelve (12) months to sixty (60) months. The NMTLC and Participating lenders may, at their joint discretion, approve loans that exceed the maximum period if such exceptions are justified and would serve the purposes of the Program. Agreements with participating lenders may specify additional conditions that determine the length of the loan period.
- d) The period of a loan may not exceed the amortization schedule or the useful life expectancy of the equipment to be purchased.
 1. Allowable equipment and related supplies: The Program will facilitate loans to purchase a broad array of equipment, needed for business and employment.
- e) The list will be annually updated to reflect current trends in technology and shall be sent to participating lenders for informational purposes.
- f) Building modifications are subject to restrictions.
- g) Computers and similar items are allowed

- h) The NMTLC will consider loans for home modifications on a case-by-case basis. The Program will not support loans for home modifications to rental units except under the following conditions:
1. A written statement from the landlord/rental property manager that details the modifications can be installed in the rental unit.
 2. The term of the loan shall not exceed the term of the rental lease or the remaining term of the rental lease.
- i) Titles and Liens: The equipment will be titled in the name of the qualifying borrower with the NMTLC or its agent as lien holder. If the Program is supplying secondary funding, the NMTLC or its agent will become the holder of a secondary encumbrance.
- j) Insurance: The NMTLC or the participating lender may require a qualifying borrower to insure the equipment for remaining value of the loan. The cost of insurance may be included in the loan (or a second additional loan).
- k) Maintenance and Repairs: The qualifying borrower will be responsible for all repairs and maintenance of the equipment. The loan (or a second additional loan) may be used to finance repairs, maintenance, extended warranties or maintenance agreements.
- l) Joint Check Issuance: The NMTLC will require the participating lender to issue the check jointly to the qualifying borrower and the vendor of the equipment or service.
- m) Deadline for Loan Closures: When the NMTLC approves a loan guarantee and/or interest subsidy, the applicant must close the loan with the participating lender within forty-five (45) calendar days of the date of approval. Applicants who have not closed their loan within the forty-five day period may be required to re-apply to the Program for approval.

F) Consumer Counseling:

1. The Program may offer optional consumer counseling to all borrowers. The Program may refer consumers to a list of counselors having personal and professional experience in equipment or credit. Counselors may assist applicants to select devices and vendors, identify other available resources, complete loan applications, purchase equipment, and resolve payment problems for both guaranteed and non-guaranteed loans.
2. If a borrower has not elected to receive consumer counseling but later fails to make loan payments in a timely fashion, the NMTLC may again encourage the borrower to receive consumer counseling to resolve payment problems.

G) Late Payments and Defaults:

- a) Monthly Reports: Each participating lender will provide a monthly report to the NMTLC documenting the following data for all loans approved through the Program, with separate sections for guaranteed and non-guaranteed loans.
- b) Collection Procedures: Each participating lender will follow its normal collection procedures for all delinquent loans. Upon notification (through monthly reports) of any past due loans, the Program will attempt to resolve late payment issues. The Program may contact the borrower directly or, with the borrower's consent, refer a list of consumer counselors to provide assistance.
- c) The Program and/or consumer counselor will attempt to help the borrower resume timely payments. If necessary, the Program may:
 - i) Assist the borrower to apply for financial aid from appropriate agencies,
 - ii) Refer the borrower to Consumer Credit Counseling Service or other financial counseling,
 - iii) Negotiate with the lender to reschedule payment terms (e.g., add additional payment(s) onto the end of the loan term),
 - iv) Arrange a refinance to provide lower payments,
 - v) Make one or more monthly payments from Program funds to avert default.
- d) Defaults: The Program will purchase from lenders at Par value (principal, interest, fees and other charges due) any guaranteed loan that becomes more than 90 days delinquent. The Program will complete the purchase before the loan becomes 120 days delinquent. Upon purchase, the lender will assign the loan, without recourse, to the Program.
- e) Purchase of the loan by the Program does not relieve the borrower's liability on the loan.

H) Grievance Process

1. An applicant who is aggrieved by a decision of the NMTLC may petition the NMTLC for reconsideration, in writing or in an appropriate alternative format, and provide additional documentation that addresses the state reasons for denial.

2. The NMTLC will:

- i) Consider the new information;
- ii) Provide the applicant an opportunity to be heard;
- iii) Inform the applicant of its decision at the meeting or in writing or appropriate alternative format within seven (7) days if the applicant is not present at the meeting; and
- iv) The decision of the NMTLC will be final.

4. NMTLP Marketing

- a) The Program, the participating lenders, along with other community organizations will actively work together to market the loan Program.
- b) Participation by the Program: Upon request, the Program will offer the following resources to market the loan program, jointly with participating lenders, to the targeted community:
 - i) Program staff will be available to make presentations to lenders' staff and to consult with them by telephone regarding the Program.
 - ii) Program staff will promote the Program to disability agencies and organizations through surveys, presentations, and attendance at conferences, newsletters, press releases and other promotional activities.
 - iii) The Program will participate in cooperative direct mail marketing to the targeted population.
 - iv) The Program will enclose a lender's promotional information in application packages sent to prospective applicants who choose that lender.
 - v) The Program will add references to participating lenders on the New Mexico Technology Assistance Program's web site and will make links to lenders' web sites.
- c) Participation by lenders: Upon request, participating lenders will offer the following resources to market the Program, jointly with the Program, to the targeted community:
 - i) Each lender's marketing staff will develop and produce a promotional brochure for joint use by the lender and the Program.
 - ii) Each lender will proactively communicate and build awareness of the Program in its New Mexico branch offices, including stocking of brochures and preparing branch associates to refer interested consumers to the Program.
 - iii) Each lender will add a reference to the Equipment Guaranteed Loan Program on its web site.
- d) Mediation:
- e) In the event that a dispute arises between a lending institution and the Program, the parties agree to submit the dispute for mediation for resolution. A neutral third party mutually agreeable by the parties shall facilitate the mediation.
- f) Compliance with State and Federal laws:

The Program will comply with all state and federal laws. The Program will not discriminate on the basis of race, religion, disability, gender, or sexual orientation.

5. Partners

1. The NMTLP will work with the State of New Mexico Small Business Development Centers and other related agencies.
2. A responsibility of the NMTLP staff will be to coordinate services through the State Small Business Centers, Vocational Rehabilitation Offices and Economic Development Network to provide:
 - i. Multiple points of contact for NMTLP information/referral
 - ii. Consumer support mechanisms such as:
 1. Providing assistance with application completion
 2. Reviewing of funding options with consumer
 3. Provide assistance with advocacy
 4. Train consumers regarding budgeting and money management
 5. Provide assistance with AT device selection and vendor identification