

2016 LIAISON REPORT
Iowa Able Foundation
Liaison – Ron Smith

Background: The Iowa Able Foundation is a non-profit agency provides financial coaching on a one on one and group basis for individuals with disabilities and the aging throughout the state of Iowa. A high percentage of this target population are considered low income; which in turn, has left them “unbankable” or underbanked.

As an alternative to a bank for individuals who need to obtain a piece of assistive technology, a home or vehicle modification, business loan, or a credit builder loan, the mission of the Iowa Able Foundation is to lend, educate and advance clients into mainstream lending and offer guidance along the way to create better financial futures.

Need for Program: Currently, the Iowa Able Foundation is serving 3 clients within Story County, and provided credit/budget counseling services to 13 Story County residents during 2016. The sustained presence of payday lenders in Ames and Story County illustrates the ongoing need for this service amongst Story County residents; however, it is unknown how many aging, or residents with disability are currently utilizing these predatory lending services.

The Iowa Able Foundation is requesting ASSET funding for FY17-18 in attempt to address this need and grow its client base within Story County. The current funding request is expected to provide 20 client contacts for financial coaching and 5 client contacts for micro lending.

Program Strengths: Iowa Able Foundation currently employees a full time Executive Director and a full time Finance Director. Contracted services are provided for grant writing and financial coach counseling services. Additionally, volunteers and student interns are utilized to assist with administrative services. It is anticipated, that the current student intern will be assuming a new part-time loan assistant/underwriter position with the agency starting January 1, 2017.

The unique nature of Iowa Able Foundation is a key strength as they are the only provider in the state of Iowa offering these services to the target population; although they work closely with IVRS, DHS and other disability based services within communities.

Program Challenges: The biggest challenges facing Iowa Able Foundation are creating awareness of their services and financial constraints. Currently, funding sources and other sources of revenue are falling short of covering operating expenses by nearly \$80,000.

The Iowa Able Foundation has outstanding loans from previous years that are considered assets on the balance sheet and not included in the operating budget. As loan payments (principle and interest) are received from clients, this money becomes unrestricted. While the intent is to use this money to help additional clients with additional needs, some of this money is currently being used to cover the shortfall in operating expenses. The Iowa Able Foundation has put together an extensive grant program for 2016-2017, including ASSET funding within Story County, in attempt to build ongoing partnerships and address this need.

Summary: The Iowa Able Foundation is definitely providing a unique service to a target population across the state of Iowa that is in need of their services. Credit building loans, generally in amounts of \$100 or \$500, are used to establish a line of credit and improve credit scores for clients so that eventually, they may be able to enter mainstream lending. Additional lending, in much larger amounts are also available to clients for various needs.

It is unclear as to exactly what types of loans fall into the micro lending service code for which Iowa Able is requesting ASSET funding. Further discussion is needed between ASSET and Iowa Able Foundation to better define eligibility for this funding and the nature of what happens to these funds once they are paid back by the clients.

The Iowa Able Foundation is also requesting ASSET funding for financial counseling; which, is provided both on a 1 on 1 basis and in a group setting. The current unit of service is a client contact and not a client hour, and there is no differentiation between whether or not the services were received in a group or 1 on 1 setting. It is also recommended that ASSET and Iowa Able Foundation review the unit of service definition, and how this unit of service is applied to the two different settings for which these services will be provided.