

Iowa Able Liaison Report

Kimberly Stephens, Nov 2019

Need: Iowa Able Foundation provides aging Iowans and Iowans with disabilities an accessible borrowing option. Ninety percent of their borrowers are below the poverty line. The entire agency has been revamped and is now in the midst of creating a new pilot program offering new kinds of loans with sliding scales of interest rates based on completing a new Financial Empowerment Program. The portion of their program that they ask funds from ASSET is for their Financial Empowerment Program, which is in the form of a financial coach. In the future, Iowa Able looks to have classes but currently much of the program is online.

Strengths of the Program: Last year new Executive Director was chosen, alongside the Finance Director. This year, a new loan officer was hired to improve the loan process. Additionally, a new program manager position was created, along with an assistant that helps both the loan manager and the program director. They were able to create these new positions due to outsourcing accounting and payroll positions.

There are currently 45 active loans. Delinquency rates are very low for these loans, and adjustments can be made when clients have a need. Feedback from former clients is almost entirely positive.

A new program being stood up will have offer several loan options using the new Financial Empowerment Program. Included will be a forgivable loan for assistive technology and will be similar to Habitat for Humanity's Sweat Equity Program. By completing the Financial Empowerment Program, the borrower earns loan forgiveness. Additionally, the new Financial Empowerment Plan will be open to everyone but it will be targeted toward individuals with disabilities. Members with approved loans will be required to participate in the Financial Empowerment Plan and incentivized to complete the program because they can earn lower interest rates. This new program will allow for post assessment surveys to show that improvements are being made.

Weaknesses of the Program: The new program has not been stood up yet, and will come online in Spring 2020, however some testing with clients is ongoing. The new program looks promising but is yet unknown.

Iowa Able remains a relatively unknown entity and may be confused with the Able Account, a different program.

General Assessment: This program provides last chance loans and financial coaching for people who may otherwise have no other choice than to go to a pay day lender. These services go toward promoting self sufficiency among older and disabled Iowans, allowing them to either fit their homes to accommodate their handicaps, build credit, or start a business. The financial coaching that is provided, and which is the ASSET funded portion, helps to ensure the programs' successes.

Future Outlook: The future outlook is positive for the program, with a completely new way to address critical needs among a population that often doesn't have access to financial empowerment.