

## Iowa Able Liaison Report

Kimberly Stephens, Nov 2020

**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:** The program is run with an executive director, finance director, loan officer, program director, program manager, and assistant. There was a lot of turn over and new positions created over the past two years, however, the program's staff is stabilizing.

There are currently 41 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.

The new program stood up was delayed by COVID. It offers several loan options using the new Financial Empowerment Program. Included is a forgivable loan for assistive technology and is 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 is open to everyone but is targeted toward individuals with disabilities. Members with approved loans are required to participate in the Financial Empowerment Plan and incentivized to complete the program because they can earn lower interest rates. The program was delayed and only started this past summer.

Financially, they are well positioned for the next year, they remained relatively unscathed by COVID-19. They received PPP loans and COVID money during the worst of the economic crisis in March and April. Further, they received several grants under two different federal programs, one that is mostly marked for lending, and the other is from the Community Development Financial Institution. The federal grant is not guaranteed for next year and the Community Development Financial Institution's grant is up after this year.

**Weaknesses of the Program:** COVID-19 impacted the launch of their new program. Their disability learning sessions were cancelled this year. They also saw an increase in loan applications this year, partially due to COVID-19.

**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.

They also created a new logo and have bids out for a new website and branding. This will be launched in the new year. Historically, Iowa Able has had a hard time distinguishing itself and getting the word out there that they offer loans. The new website and branding will help to overcome this hurdle.