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WELFARE AND INSTITUTIONS CODE - WIC

DIVISION 10. STATE DEPARTMENT OF REHABILITATION [19000 - 19806] (*Division 10 added by Stats. 1969, Ch. 1107.*)

PART 2. REHABILITATION SERVICES, PROGRAMS, AND FACILITIES [19100 - 19806] (*Part 2 added by Stats. 1969, Ch. 1107.*)

CHAPTER 5. Rehabilitation Facilities [19400 - 19471] (*Chapter 5 added by Stats. 1969, Ch. 1107.*)

ARTICLE 2. Transportation and Assistive Technology Loan Guarantees [19460 - 19471] (*Heading of Article 2 amended by Stats. 2005, Ch. 549, first Sec. 1.*)

19460. (a) There is in the State Treasury a permanent revolving fund to be known as the Rehabilitation Revolving Loan Guarantee Fund, and to be administered by the department. The money deposited in the fund, including, but not limited to, money in any previously established account within the fund, is hereby appropriated, without regard to fiscal years, for the purposes of this article. The fund shall be used to guarantee loans made by eligible lenders to eligible persons for the purchase of vans, automobiles, and other special equipment to facilitate transportation of individuals with disabilities, and to assist private employers and employees, and other persons regardless of age, with disabilities to purchase assistive technology in order to live more independently or to engage in employment, including, but not limited to, supported employment as defined and determined by the department.

(b) Nothing in this section shall be construed to abrogate the requirement that employers comply with reasonable accommodations and related responsibilities pursuant to federal and state laws. Nothing in this section shall be construed to prevent a loan guarantee for individuals with disabilities who have previously received vocational rehabilitation services and who wish to obtain a loan to purchase newly developed assistive technology or to replace worn or obsolete assistive technology.

(c) In determining eligibility for a loan guarantee from this account, the department shall make any loan guarantee contingent upon a determination that the person or the family of a child reasonably can be expected to repay the loan based on the person's or family's expected income or other resources.

(d) To the extent possible, loans made pursuant to this chapter shall provide for a security interest to be given the lending institution in the vehicle or assistive technology for which the loan is made.

(*Amended by Stats. 2005, Ch. 549, second Sec. 1. Effective January 1, 2006.*)

19461. As used in this article, the following definitions apply:

(a) "Department" means the Department of Rehabilitation.

(b) "Eligible persons" means any of the following, provided that household income does not exceed the level prescribed for moderate-income families by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code:

(1) Parents of a child with a disability who has been certified by a physician or the department as having a disability, who is living in the home, and who requires a modified vehicle for mobility.

(2) A person with a disability who has been certified by a physician or the department as having a disability, and who requires a modified vehicle for mobility.

(3) Parents of a child with a disability who has been certified by a physician or the department as having a disability, who is living in the home, and who requires assistive technology, including evaluation and training in the use of an assistive technology device, which is necessary for independent living.

(4) A person with a disability who has been certified by a physician or the department as having a disability, and who requires assistive technology, including evaluation and training in the use of an assistive technology device, which is necessary for independent living.

(c) "Eligible lender" means a financial institution organized, chartered, or holding a license or authorization certificate under a law of this state or the United States to make loans or extend credit and subject to supervision by an official or agency of this state or the United States.

(d) "Assistive technology" means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities, and any service that directly assists an individual with a disability in the selection, acquisition, or use of the item, equipment, or product system.

(Amended by Stats. 2005, Ch. 549, Sec. 2. Effective January 1, 2006.)

19462. The department shall serve as a state loan guarantee agency to guarantee loans and to administer a guaranteed loan program established pursuant to this article. The department shall guarantee any loan made pursuant to this article at 100 percent of the total amount of principal and interest of the loan in default. The department shall establish the ratio of reserve funds to loans outstanding. The effective interest rate to the borrower shall be a percent per annum, which is less than the fair market interest rate at the time the loan guarantee request is considered by the department, and which is based upon the ability of the borrower to pay, as determined by the department. When an application for a loan guarantee is approved by the department, the differential interest between the percent per annum approved by the department and the rate charged by the participating lender shall be prepaid by the department to the participating lender out of the Rehabilitation Revolving Loan Guarantee Fund. If the borrower defaults on any loan guaranteed by this program, the participating lender shall reimburse the department for any interest not accrued, after deduction for any unavoidable loss suffered by the lender.

(Amended by Stats. 2005, Ch. 549, Sec. 3. Effective January 1, 2006.)

19463. State guaranteed loans made pursuant to this article shall be made without regard to race, religion, creed, or sex.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19464. The total amount of all outstanding debts, obligations, and liabilities which may be incurred or created under this article is limited to the amount contained in the Rehabilitation Revolving Loan Guarantee Fund, and the state shall not be liable beyond the amount contained in such fund for such debts, obligations, and liabilities.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19465. In the event that the amount of loans applied for under this article exceeds the amount of the loans that may be guaranteed pursuant to this article, the department may establish a system of priorities for the approval of loans.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19466. The State Treasurer shall invest, pursuant to statute, any surplus money in the Rehabilitation Revolving Loan Guarantee Fund. The interest or other accretions as a result of the investment of such money shall accrue to the fund.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19467. The funds in the Rehabilitation Revolving Loan Guarantee Fund shall be paid out by the State Treasurer on warrants drawn by the Controller and requisitioned by the department in carrying out the purposes of this article.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19468. The department shall encourage private eligible lenders to participate in the guaranteed loan program established by this article, and shall develop and distribute in cooperation with private eligible lenders consumer information for prospective borrowers.

(Added by Stats. 1980, Ch. 810, Sec. 1.)

19469. No loan in excess of fifty thousand dollars (\$50,000) shall be made to any eligible person pursuant to this article.

(Amended by Stats. 2005, Ch. 549, Sec. 4. Effective January 1, 2006.)

19470. The department shall adopt regulations not inconsistent with this article that, among other things, shall establish criteria for determining eligibility for loans in the guarantee program that ensure that the applicants have the ability to repay the loans

(Amended by Stats. 2005, Ch. 549, Sec. 5. Effective January 1, 2006.)

19471. (a) The department may apply for a federal grant award through the federal alternative financing program established pursuant to subparagraph (D) of paragraph (2) of subsection (b) of Section 3003 of Title 29 of the United States Code and may use funds in the Rehabilitation Revolving Loan Guarantee Fund, established pursuant to Section 19460, as the match for these federal grant funds. The department may comply with applicable federal grant requirements, including, to the extent required, contracting

with a community-based, nonprofit organization that has individuals with disabilities involved in the organization decisionmaking at all organizational levels, to administer the alternative financing program.

(b) The department may do all of the following:

(1) Select a community-based organization with which to contract based upon consideration of criteria, including, but not limited to, the organization's sound fiscal condition and internal controls.

(2) Monitor and audit performance by the organization under the contract to minimize the risk of loss to the loan guarantee program of loan defaults.

(3) Terminate the contract in the event the department determines that the organization has not complied with the contract terms or has not prudently administered the loan guarantee funds.

(c) Moneys received from a federal alternative financing grant shall be deposited in the Rehabilitation Revolving Loan Guarantee Fund established pursuant to Section 19460, and the federal funds and state matching funds shall be administered by the department and, as set forth in subdivision (a), by a community-based organization through a contract with the department, for the purpose of providing loan guarantees consistent with this article and applicable federal grant requirements.

(d) To the extent that state funds in the Rehabilitation Revolving Loan Guarantee Fund are not used to fund the alternative financing program, the department shall administer any remaining money in the fund consistent with the provisions of this article, and may enter into contracts with any public or private entity for the provision of services relating to the administration of the loan guarantee program.

(e) No more than 10 percent of the fund, excluding funds held in reserve pursuant to Section 19462, per fiscal year, may be used for costs of administration of the loan guarantee program, including administrative costs incurred by the department and any contractor.

(Added by Stats. 2005, Ch. 549, Sec. 6. Effective January 1, 2006.)