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Israel Free Loan Association offers aid, not charity

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"Life," says Eliezer Jaffe, "is simply a loan."

"We're given a loan and we have to return it. What we do with it while we're here is the essence of it."

Given that premise, Jaffe, a professor of social work at Hebrew University, will get paid back with interest.

Not that Jaffe is looking for interest. That goes against every principle of his nearly decade-old project, The Israel Free Loan Association (IFLA).

A former Clevelander who made aliyah almost 40 years ago, Jaffe was in his hometown recently to visit numerous relatives and friends.

Jaffe is chairman of the board of the IFLA, which is the second largest Hebrew Free Loan in the world, following only New York. According to Jewish law, Jews can not charge other Jews interest on a loan. And according to Maimonides, "A loan is better than charity, for it enables one to help himself."

The association currently has about \$7 million in circulation. None of that money comes from the government and none is from "The Joint" (Jewish Distribution Committee-JDC), Jaffe says proudly. It has all come from private and individual sources, mostly from within Israel. "Israelis give (charity) and they like the free loan," says Jaffe.

Many new Russian immigrants have taken interest-free loans from the association to pay for everything from homes and household goods to



Jaffe

starting a small business or getting an education. Home loans for Ethiopian immigrants of up to \$3,000 have helped many families get out of caravans (trailer homes) and into permanent housing. That loan represents the 2% of the mortgage not covered by the government.

The IFLA also grants loans to assist needy Israeli families in several categories. These in-

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clude large families of four or more children, single-parent families, families with handicapped children (covers equipment and renovating living space to enable the child to remain at home), as well as small business loans.

Jaffe has worked to expand the categories of loans offered. Today, for example, the IFLA offers interest-free loans to couples working with a surrogate mother to have a baby.

The IFLA, which began with a modest capital investment of \$15,000, gives loans to Jews "anywhere in the country" and also to those who serve in the Israeli army, such as Druze. Loans require two guarantors, a timetable for repayment (which can be adjusted if necessary), and postdated checks for the payments.

The number of delinquent loans ("We don't call it default, we never give up on a loan"), is a very modest 3%. The Ethiopians have the highest delinquency rate because of their difficulties with resettlement and adjustment as a whole.

Every loan up to \$15,000 to a small business creates two new jobs, often for immigrants, Jaffe

points out. One Russian computer programmer who took a loan from IFLA created a computer program to help the organization track its loans. He recently sold the program to several large Hebrew Free Loan Associations in the United States and has come back for another loan to expand his business.

Jaffe is the author of "Giving Wisely: The Israel Guide to Nonprofit and Volunteer Services In Israel," a list of 400 Israeli non-profits, their boards, and where donations to the organization go. He is now working on an expanded edition which will also become a Hebrew- and English-language Web site. This massive undertaking is also a volunteer effort to "increase the accountability of non-profit organizations in Israel."

There are 25,000 non-profit organizations registered with the Israeli Ministry of Interior. Jaffe's goal is to include all of them on his Web site, which he calls a "breakthrough for donors." Several thousand more non-profits with tax-exempt status are registered through the treasury department; no one but government officials can access these records, however.

Jaffe has taken great interest in adoption problems and is working to find funding (about \$200,000) for a non-profit organization helping Israelis involved in inter-country adoptions; previously the government had all control over adoption services. Currently, there is a six-year waiting list of about 1,500 couples waiting to adopt children in Israel. Only about 70 babies born in Israel each year are put up for adoption.

Jaffe is a graduate of Cleveland Heights High School and received his doctorate in social work from Case Western Reserve University.