

## ISRAEL: AS I SEE IT

## Free loan societies in Israel

FEB. 1993

By SAMSON KRUPNICK

Our sages praised Jews, characterizing them as "compassionate, modest and doers of deeds of loving kindness." (Gmilut chassadim). We have



seen many acts of our people that validate these compliments, abroad but especially in Israel. We attended recently a gathering of some 100 voluntary organizations rendering free service and aid to many thousands of people, particularly new olim from eastern Europe and from Ethiopia. Virtually all of these volunteers do their wonderful good deeds quietly with no desire for publicity or special acknowledgement.

An extension of these good deeds in the finest degree is the flourishing of many free loan associations. They follow the dictum of Maimonides that *gmilut chassadim* acts of living kindness, exceed the giving of *tzedaka* tenfold in that it helps the recipient to rehabilitate himself so that he would have no need for *tzedaka*.

There are no less than 500 free loan societies giving constructive aid to many in need in Jerusalem alone. We serve on the board together with Mayor Teddy Kollek of the Achvat Yosef (Gruss) Fund which meets monthly and gives interest free loans to new olim amounting to over \$1 million per annum, for starting new enterprises, for housing and for job-training.

The newest and today among the largest of such free loan societies is the Israel Free Loan Association, launched in April 1990 with a modest \$50,000 in capital which now has reached \$2.2 million with a record of some 2,500 loans made in this relatively short period. The number of loans now made monthly have topped the 200 mark and the aim is to increase both the number of loans and the sums allocated. The loans are of course interest free and are made in U.S. dollars or their

equivalent in Israel shkolim. They are repaid in the same manner in monthly payments so that there is no erosion in value and so that the loans will be revolving on a perpetual basis. About one third of the funding comes from the regular flow of monthly payments.

For the present the largest allocation is to the first category — \$700-\$1,000 small loans, repayable within a year. Over \$500,000 has been allocated to this area of loans. The second category involve loans of \$6,000-\$10,000 as small business loans basically to new olim from the former Soviet Union. These loans are repayable over a 24-30 month period. Some \$400,000 have

served for these loans.

Allocations will be increased in all of the categories as more experience is acquired and adjustments made in providing maximum aid to the needy in all the categories.

The founder, the leading force in this most rewarding and magnificent project and its volunteer chairman is Professor Eliezer Jaffe of the Hebrew University School of Social Work. Professor Jaffe is a true example of the one described in the Talmud — compassionate, modest and doing deeds of living kindness. He is an expert in the field of philanthropy. He is an invited guest speaker at the International Conference of

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been allocated to this category. The third group of loans is exclusively for olim from Ethiopia. The government grants them 98 percent in a loan-grant for housing. The Israel Free Loan Association provides the additional 2 percent in the form of a \$3,000 loan, payable over three years. Over \$350,000 has been allocated to this kind of loan.

The fourth category is a tuition loan to both Russian and Ethiopia olim in the amount of \$1,000 payable over two years. Some \$150,000 has been reserved for this type. The fifth category is to large family units who require assistance. The loans are \$700 or more as the case warrants, repayable in 12-24 installments. About \$100,000 has been allocated to this area of loans. The sixth category, the newest, is that of emergency loans ranging from \$700 upward depending upon the urgency. Payment terms are adjusted to each situation. About \$100,000 has been re-

Philanthropy to be held in San Antonio in March.

His expertise served him well in raising substantial sums for the Israel Free Loan Association. He stated modestly: "It really was not difficult. Three friends, one a Professor at the University of Indiana, a second a businessman in Miami and a third, a stockbroker in New York, helped me launch this project and started the ball rolling. It caught on quickly and the momentum is rising. Jews are kind. They want to help. Just give them a chance."

Any one who wants such a chance can contact him at the office on 1 Metudela Street in Jerusalem.

The Association operates on a low overhead basis. Three employees process all applications. One is an American, Yehudah Gorodetzer. The second is an oleh from Russia and the third is a highly talented oleh from Gondar, in Ethiopia, who speaks Russian, Hebrew, English and Amharic. His name is Fask Eshkol. He came in for a loan and was hired on the spot.

Chairman Jaffe was the former Director of the Department of Welfare of the Municipality of Jerusalem, and has served as consultant to the Ministry of Social Welfare. These experiences qualify him eminently to provide proper direction to the operation of a growing Free Loan Association. Upon his

Advisory Committee are outstanding personalities from all segments of Israel's society indicating a broad spectrum of support and admiration for this great expression of *gmilut chassadim*. Y'vasher Koach.

Samson Krupnick may be reached at 22 Pinsker, Jerusalem 92228, Israel.

(Editor's note: Prof. Jaffe is the father of the very successful Project Renewal which twins American cities with those in Israel.)

## Where your gifts do the best work

Dear editor,

The Israel Free Loan Society, as documented by your correspondent, Samson Krupnick, is deserving of continued support by all Diaspora Jews. The very concept of "Gmilut Chassidim — Doers of Good Deeds" is in every Jew's bloodstream. Many a Jewish immigrant family, in all parts of the Diaspora, owe their prosperity, and very survival in a strange land, to this Free Loan concept.

In Israel, Mr. Joseph Gruss, the caring New York philanthropist, has his own fund, Achvat Yosef, (Sam Krupnick is on his board) and dispenses \$1,000,000 annually for starting businesses, for housing, rehabilitation job training and education. The New York Federation has a \$2,000,000 fund, as do other large communities.

One I am most familiar with is the Israel Free Loan Association, started in 1990 with minimum capital and now in excess of \$2,250,000 and growing. It is the brain-child of the world-renowned Professor Eliezer Jaffe of the Hebrew University School of Social Work. The interest free loans of this fund, until recently manned by Prof. Jaffe, and volunteers now operate at minimal overhead, utilizing qualified people, one an American, the second a Russian Oleh and the third a multi-lingual Ethiopian. Of course there are still several non-paid volunteers.

There are several categories of loans from \$700-\$10,000 being made. These cover small incidental loans, down-payment housing loans, loans to Ethiopians, loans to Soviets, family assistance and emergency loans. As funds become available, contributions to each category will be increased on basis of merit. The loans for the most part, are given or denied, by peer input.

I encourage widespread participation in this Israel Free Loan Fund. I am privileged to have made an *early contribution and*

*augment it annually.* The Fort Worth Jewish Federation Endowment Fund has sent a \$5000 contribution for a named endowment. A tax free vehicle has been set up to cover most transactions. You can obtain further information from the Israel Free Loan Association at 1 Metudela Street (P.O. Box 4171), Jerusalem 91041 ISRAEL, Tel 011 972 2 610744, or 669504, fax, 011 972 2 669504. Or drop me a line and I'll gladly reply. Remember Prof. Eliezer's words "Jews are kind. They want to help. Just give them a chance."

Let's just do that.

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