

ISRAELI FREE LOAN ASSOCIATION HELPS IMMIGRANTS WITH NOWHERE TO TURN
By Michele Chabin

JERUSALEM (JTA) -- Miriam Ratner, a 24-year-old immigrant from Moscow, was in a state of near-panic.

In Israel almost two years, the freelance clothes designer is no longer eligible for a full rent subsidy from the government. Without family in the country, she did not know where to turn when her landlord demanded six months' rent in advance.

Hearing of her plight, some friends directed her to the Israel Free Loan Association, a non-profit organization that annually distributes \$2 million worth of loans on an interest-free basis.

"I honestly didn't know where I would get the money," admitted Ratner, whose request for a loan was approved by the society that day. "I might have been out on the street in a few weeks, without a roof over my head."

"This is a classic example of an immigrant who wants to succeed but needs some help along the way," said Dr. Eliezer Jaffe, the society's (volunteer) chairman, following a conversation with the young designer. "This country is full of people who could use a little financial assistance to get them over a hurdle."

Getting people past life's rough spots "is what the society is all about," said Jaffe, who is also a professor of social work at Hebrew University. "Since establishing the fund in early 1990, we've concentrated on assisting new immigrants from Eastern Europe and Ethiopia, and some Israeli families with four or more children."

While the organization would eventually like to expand its services to include other needy members of the population, such as demobilized soldiers and young Israeli couples, "right now there is barely enough money to support the work we're doing," said Jaffe.

"With a rotating fund of \$2 million provided by small foundations and private donors, we're able to approve 200 loans per month. With more money at our disposal, we could easily double that figure."

But, Jaffe stressed, "we give out loans, not charity. We expect all borrowers to repay their loans according to a timetable. To ensure this, borrowers must have a guaranteed steady income, whether it is in the form of a job or National Insurance payments."

Of the 2,000-or-so loans the society has made since the winter of 1990, a mere 1 percent have ended in default. The high rate of repayment is no accident, Jaffe asserted.

"We have a serious, sophisticated clientele. Whether they are physicists, ballerinas, or housewives, they are committed to repaying the money. They know that if they default, someone else won't be able to take out a loan."

Potential borrowers come to the society's cramped office for a number of reasons, according to Fasil Eshkol, an Ethiopian immigrant who joined the small staff after applying for a loan himself. Eshkol, who spent five years as a university student in the former Soviet Union, is fluent in Amharic, Russian, Hebrew and English.

"No matter where they come from, people have the same financial needs once they arrive in the country," he explained. "Their paycheck may be late, or their mortgage payment is due. Perhaps they have to pay their rent several months ahead, or their children need books for school."

"They might need new eyeglasses or some dental work. Sometimes a new immigrant will need to fly home because a parent is dying, and he doesn't have enough money for the air fare."

Eshkol himself learned about the society a year ago, when he badly needed a loan to pay off a friend's debt.

"A friend of mine borrowed thousands of shekels to open up an Ethiopian restaurant, but he soon became bankrupt. When the bank wanted its money, it turned to me because I had been a loan guarantor."

"Someone told me about the Israel Free Loan Association. While the loan I received didn't quite cover my debt, it was a big help. Getting this job was an unexpected bonus," he said. "I understand what these people are going through," said Eshkol, surveying the roomful of potential borrowers. "They desperately need something to tide them over, but can't afford to pay the interest rates that banks charge. Some go to loan sharks, which only gets them into a bigger hole."

For the Osipov family, which emigrated from the Ukraine two years ago, the bank is not an option. "We already borrowed the maximum amount of money from the bank to buy our new apartment, and that should have been enough," said Ludmilla, a nurse. "But then the shekel was devalued against the dollar last month, and we now owe another \$1,000."

While she and her husband do not look forward to having still more debt on their shoulders, Ludmilla is not complaining. "From what I understand, interest-free loans are a part of Jewish tradition. I'm sure glad we could take advantage of it."

Contributions to the Israel Free Loan Association can be sent to P.E.F. Israel Endowment Funds, 41 E. 42nd St., Suite 607, New York, N.Y. 10017. The telephone number is 212-599-1260.