

# Helping people to help themselves

JUDY SIEGEL-ITZKOVICH

**M**aimonides, who wrote 800 years ago that "a loan is better than charity for it enables one to help himself," deserves the copyright on a pioneering effort to assist Israelis temporarily in need.

"Giving a loan without taking interest is a uniquely Jewish idea that goes back to this great Jewish age," says Prof. Eliezer Jaffe, the unpaid chairman of the Israel Free Loan Association.

The IFLA has made more than 10,000 no-interest loans totaling over \$6 million since it was founded in 1990. After granting loans for immigrant housing, small businesses, emergencies, university tuition and other needs, the IFLA has obtained \$300,000 in donations specially earmarked for medical purposes.

"We are starting with children and young people up to the age of 18 in the Jerusalem area, from Beit Shemesh to Ma'aleh Adumim, who suffer from permanent physical disability — including the hearing and sight impaired," Jaffe explains. "Loans up to \$5,000 for medical purposes are available to supplement government grants for hearing aids, body braces, walkers, wheelchairs, suiting cars for the transport of wheelchair-bound youngsters, communications devices and special devices for nursing care. The loans will be granted to families who are raising the child in their own home and as supplementary assistance to those eligible for a government grant. We hope we will be able to expand the principal to over \$1 million and beyond, and then be able to offer cash loans to qualified people around the country."

The US-born Jaffe, who teaches at the Hebrew University's Herzl School of Social Work, is a recognized expert in non-profit organizations and fundraising, is one of many volunteers involved in the IFLA. They and their paid workers (including an Ethiopian and a Russian immigrant) receive requests and issue checks at the organization's offices at 64 Rehov Aza (POB 79, Jerusalem 91041; tel. 02-0248) in the Rehavia neighborhood.

"We have close to 1,000 donors in Israel and 13 other countries, and we handle some 300 applications a month. The beauty of the concept is that as soon as money



Roi Shavit participates in a class trip in a wheelchair

is returned on the loan, it is rolled over into new loans," he explains.

"We are not a welfare office," Jaffe says. "We make our loans of up to \$15,000 only to people with a steady job or income who can pay them back at their own pace, from 10 months to a maximum of four years."

Because of minimal expenses and low overhead, nearly all the money donated is used for loans. The IFLA is recognized by the New Israel Fund, PEF-Israel Endowment Fund and the Jerusalem Foundation as a recipient of donations. There are also friends' organizations in New York and London. Everything is computerized, so any donor can request a printout on how many loans are out and their stages of return. The names of the recipients remain confidential. A board of respected professionals supervises

the entire loan-giving process.

Jaffe notes that the organization receives a wide variety of donations. A woman from Rehovot wrote recently to say she received an inheritance of NIS 40,000 that she and her family did not need. "I trust you will use this money as you see fit, with no strings attached," she wrote.

Sometimes, well-to-do tourists who meet needy Israelis they want to assist ask the IFLA to administer a housing or business loan. This way, they know the recipient will pay back on time and use it for the specific purpose set down in the contract.

More than 650 of the 1,700 separate donations so far have come from Israelis, with 880 coming from the US and other countries such as the UK, Holland, France, Australia, Brazil, Switzerland and even Thailand. Some of the

donors registered their donation to the IFLA in their wills.

Loan applications are considered once a month, and thus no one waits for an answer longer than that. In many cases, the money is available within a few days. Recipients deposit with the office a number of post-dated checks linked to the dollar. So far, the default rate is less than 3 percent. If the borrowers say they can't repay, "we offer easier pay-back terms, but if there is no response, we are not afraid to go to court, as we are committed to our donors and to the rollover process, as well as to the recipients," says Jaffe.

Yael Yosef, a social-work student at the Hebrew University, is coordinator of the new medical needs fund. She accepts the requests and checks to make sure the applicant has already received

all his entitlements from government funds.

"But in many cases, state allowances don't cover the full costs of electric wheelchairs, ramps and retrofitting homes for the disabled," she says. "An electric wheelchair can cost \$6,000 (more, a motorized tricycle \$3,000 and a hearing aid \$1,200. The cost of equipment is very high and the bulk of the expense falls on the family."

But once they get the loan, the equipment can mean a new way of life. Ro'i Shavit, a 13-year-old Jerusalemite born with muscular dystrophy, is one of many children who needed special equipment to be mobile.