

Human interest paid on loans

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“MY partner and I opened a small photography studio last month,” says immigrant Oleg Ulianansky. “We needed \$3,000 for basic supplies. Wherever we applied, they wanted high interest rates or took many months to process our request.”

Then Ulianansky, who immigrated from Kiev 18 months ago, heard about the Israel Free Loan Association and immediately applied for a loan. To his amazement, he received the money a week later. All he had to do was bring two guarantors and prepare 12 post-dated checks for the value of the loan.

The association, which follows the model of free-loan societies in the Diaspora, has just hit the \$2.25 million mark in its fundraising campaign. Since IFLA's founding in April 1990, it has distributed loans to 2,500 immigrants from Ethiopia and the former Soviet Union. The association is ready to help immigrants from other lands where Jews are in danger.

“People wanted to do something to help the masses of new immigrants coming into the country,” says Prof. Eliezer Jaffe of the Hebrew University School of Social Work.

He and a group of volunteers developed the idea of making free loans available for newcomers with specific problems. Capital for the loans was raised from donors abroad who heard about the project and responded generously.

“There are many free-loan associations in Jewish communities in the Diaspora,” says Jaffe, “so the concept was easily accepted.”

One of the chief purposes of the organization is to help new immigrants secure employment. Former Muscovite Dr. Pinhas Ben-David got a housing loan from the Israel Free Loan Association last year, as did four other members of his extended family. Now that the loan has been repaid, he applied for and received money to buy a used car so he could hold down two jobs as a pediatrician.

“I was able to buy equipment for a creche in my house,” says Mariette Marinsky, a new immi-

grant from Moscow who was a kindergarten teacher abroad.

An air-conditioning engineer from Tashkent, Oregok Kogarnitzky, started out repairing faulty air-conditioners in the hotel-cum-absorption center where he stayed after immigrating. Now he's begun taking on jobs, thanks to a loan with which he's been able to buy tools and basic supplies.

But not all the loans go for business ventures. Some immigrants have health needs which are beyond their means: dental care, orthopedic equipment or special medicines not supplied by the health funds. Other loans are for what Jaffe calls “housing-related needs.”

Mahari Asmano, his young wife and two children arrived from Ethiopia two years ago and lived in an absorption center until last month. When they had to leave, Asmano, now called Ya'acov, applied for a loan to pay several months' rent in advance, as landlords generally demand. He received \$700 and was able to rent a modest flat.

Many Ethiopian immigrants have difficulty finding homes. Rentals are very expensive when they can be found at all. Purchasing an apartment is beyond their ability, even though the government pays up to 98 percent of the purchase price for these immigrants. The IFLA began making loans for the remaining 2 percent as well as related expenses for utility fees and meters. In many cases, the fund increased the repayment period from 12 to 30 months. Seventy-nine Ethiopian immigrant families have already benefited from this special loan and 350 are on the waiting list.

“The default rate is less than 1 percent, and we have never had to go to court,” he says. The beneficiaries are delighted to receive the kind of assistance which allows them to retain their self-respect. Even the donors are pleased, according to Jaffe, because their capital is well invested in a self-perpetuating venture: as loans are repaid, the funds are “recycled” into loans for other immigrants.

It is, as Jaffe calls it “a gift that never ends.”