

Interest Free Loans Help People to Help Themselves

by Chana Falik

Need a loan? Afraid of high interest? Don't know where you can turn? With inflation soaring and the cost of money sky high, it's nice to know that there is an organization located in Jerusalem that will help you -- and won't charge you even one shekel of interest.

The organization is called the Israel Free Loan Association (IFLA), whose aim, according to founder Prof. Dr. Eliezer D. Jaffe is to enable people to help themselves. According to Prof. Jaffe, the money IFLA provides is "not a hand-out but a hand up." IFLA is a non-profit, non-government organization funded in its entirety by private donations.

The IFLA was founded in 1990 during the wave of Russian aliya in order to provide interest-free assis-

tance to new immigrants from the CIS and Ethiopia in their initial absorption difficulties. During the course of time the types of assistance IFLA provides have grown and there are certain funds which are now more widely available. Among these are general loans for medical and dental care, emergency loans for temporary crises, college tuition loans, and large-family loans for couples with four or more children.

Of special note is their Small Business Loan Fund, established to help entrepreneurs set up a small business or expand an existing one. Over half a million dollars worth of loans have been granted since this fund has been in operation.

The Small Business Fund loans a maximum of \$15,000 to new immigrants of all nationalities and

\$10,000 to native Israelis or veteran immigrants. The loans are linked to the dollar without any additional linkage or interest and are usually repayable over 30 months. For security IFLA requires four guarantors. In certain cases IFLA accepts only two guarantors along with a lien on some equipment of the business.

Loans of the Small Business Fund can be used for the purchase of equipment and/or raw materials, the renting of premises, the preparation of publicity material, or the expansion of staff. Self-employed craftsmen are included in the criteria of "small business." Hundreds of people involved in cottage industries such as seamstresses, jewelers, artists and sculptors have already been helped by IFLA.

Applications for new businesses are

accepted in certain cases if they are accompanied by a business plan and recommendation from the Small Business Development Corporation or some other professional organization.

Loan applications are reviewed once a month by a committee of volunteers from various professional backgrounds. "Our aim is to make the process of application as smooth and sympathetic as possible," says Small Business Loan coordinator Joe Rosen.

If my own experience is anything to go by, the IFLA staff practice what they preach. This newspaper you are reading was produced using computer and printing equipment I purchased thanks to an IFLA loan. The Association's address is 64 Aza Street, Jerusalem. Telephone: 5630248.