

AGENCY SPOTLIGHT

Israel Free Loan Association

Perhaps, the most striking thing about the national headquarters of the Israel Free Loan Association (IFLA) on Jerusalem's Aza Street is what isn't there - not a single donor recognition plaque is in sight.

And this absence says more about the philosophy behind the non-profit organization, which was founded in 1990 to provide interest-free loans to needy Israelis, than almost anything else.

"We don't look upon our clients as poor welfare cases," states IFLA founder and honorary chairman, Prof. Eliezer Jaffe. "They are people taking out a loan which they will pay back. Our loans are a hand up - not a hand out - to help people out of temporarily difficult economic situations, while preserving their dignity. Anyone could be in the same situation. We follow the advice the Rambam gave nearly a thousand years ago: A loan is better than charity, for it enables one to help himself.: Apparently IFLA's donors have also been imbued with the Rambam's eight principles of charity. The great sage felt that not only is a free loan the highest level of giving, but that doing so anonymously far outweighs public recognition.

"Our donors are very modest. They are not looking for recognition," continues Jaffe, who holds an academic chair for the study of volunteering, non-profit organizations and philanthropy at the Hebrew University. He is also the author of *Giving Wisely*, a guide to non-profit and voluntary organizations in Israel. "Just a few weeks ago, someone gave a substantial grant for a loan fund and said, 'call it anything you want -name it after Homer Simpson. I don't care.' So now we have the Homer Simpson Free Loan Fund. Established at \$9,000, this loan fund has already given out nine loans. Since its founding, IFLA has provided a total of \$15.5 million in interest-free loans to nearly 11,000 needy Israelis in financial crisis. 70 % of the recipients were new immigrants.

The IFLA allocates more than 200 loans every month to new immigrants, single-parent and large families, families with handicapped children, students and small businesses, as well as general and emergency loans. Loans range from \$15,000 for small businesses to \$1,000 for personal needs. Applicants must be employed and have two guarantors. The default rate is less than 5%

"I see the IFLA as a lesson in civic responsibility," Jaffe continues. "Many new immigrants had no idea what a loan was, but they have learned that if they repay, they can get another one. Our philosophy, and mine in particular, is that life is basically a loan which we will have to return one day. I believe that the reason for this loan is to make the world a better place in which to live. And although we are here on loan, our loan is not interest free. The interest we pay is to make the world a little better than when we entered."

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