

# Free loan group helps newcomers keep away from the 'sharks'

FROM OUR CORRESPONDENT  
JERUSALEM

From physicists to ballerinas, new immigrants who are entering the labour market in Israel have one thing in common — they almost always need money.

To this end, Professor Eliezer Jaffe, of the Hebrew University, founded the Israel Free Loan Association three years ago.

Described by Professor Jaffe as "a nice Jewish programme," it has become the answer to the prayers of thousands of immigrants.

The association, whose British Friends group has just received charitable status, is hoping for increased support in the UK, where Chief Rabbi Dr Jonathan Sacks has agreed to be its patron.

IFLA is based on a simple self-help principle, modelled on the free loan associations for Jews that functioned in London's East End and the Lower East Side of New York at the turn of the century.

The organisation currently gives more than \$2.5 million a year in about 3,000 interest-free loans. The minimum loan is \$700, and they fall into a number of categories. Small business loans go to Russian immigrants, often to buy equipment.

Ethiopian families, living in caravans or absorption centres, can get a 98 per cent mortgage from the government.

A loan from IFLA helps them to bridge the gap and can make the difference between moving into their own homes or staying in a crowded caravan.

Students — many of them Russians whose education had been disrupted because of emigration to Israel — are eligible for loans for tuition and books. There is also an emergency loan fund to which any Israeli can apply.

About 200 new loans are distributed each month.

Professor Jaffe explains: "We don't police people's spending. We're not a welfare agency, we don't do home visits or casework. It's enough that they come to us because they need it. We are getting quite a lot of Russians whose parents are still in the former USSR, and they need the air fare to visit their dying parents."

"We are very flexible. The loanee has to be working and produce a salary slip — pensioners can show their national insurance receipt. We give the loan on the spot, if it is approved."

Defaults are very low — fewer than one per cent, said Professor Jaffe. "People know if they don't repay the money, then there's less for the next person."

In the cramped Jerusalem IFLA offices there are notices in Russian and Amharic, as well as Hebrew. There seems no chance that the new immigrant will misunderstand the conditions of the loans.

Loan sharks in Israel are said to offer private loans at an annual interest rate of more than 85 per cent, while commercial banks grant loans linked to the cost-of-living index.

British Friends of IFLA have given nearly £65,000 in the last three years and, says Professor Jaffe, British donors have introduced a unique innovation. "Very often a British donor will have a personal link with a Russian family and will want to give a loan directly."

The motto of IFLA comes from Maimonides: "A loan is better than charity, for it enables one to help himself."

## WE HAVE NO INTEREST IN SOVIET OR ETHIOPIAN JEWS

At the Israel Free Loan Association, that's a fact we state with pride. All of our loans to Russian, Ethiopian and other immigrants in Israel are 100% interest free. Loans for emergency medical treatment. Loans for basic furniture and appliances. Tuition costs. Small business loans. Mortgage payments. Day Care. Food. Loans to help hundreds of immigrants make ends meet as they start out in the Israeli labour market.

Maybe once, years ago, a free loan helped you, your parents, or your grandparents gain a footing for success in an unfamiliar new land. Today, your donation will help a new generation of Jewish immigrants. Hard-working individuals who pay back their loans promptly so your charitable contribution can work time and time again to help the newest Israelis help themselves.

Donations to: British Friends of IFLA, Mrs Audrey Druce, 30 Greyhound Hill, Hendon, London NW4 4JP. Tel. (081) 203 7196. Charity No. 1009568.

For additional information, Prof Eliezer Jaffe, Chairman, The Israel Free Loan Association, 1 Metudela Street, POB 4171 Jerusalem 91041 ISRAEL; Tel. (02) 637450.

Patrons: Chief Rabbi Dr Jonathan Sacks; Lady Amelie Jakobovits.

Remember IFLA in your will, legacy, trust or endowment fund — and with Gift Aid.

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