

In Jerusalem There Is An Association That Is Quietly Giving To Immigrants Millions of Shekels in Loans — Without Interest

Have you ever heard of the possibility of taking a loan where in the end you repay less money than what you have borrowed? It is hard to believe, but such a thing does exist in Israel. When we heard of the "ISRAEL FREE LOAN ASSOCIATION" we thought that someone was pulling our leg. "What are you talking about? We are very serious, and we have been quietly at work for some time now. The truth is, we don't advertise; we have no public relations; and we work quietly — otherwise the whole country would be knocking at our door," the Association's director, Yona Cohen, explained to me. The Association was founded about five years ago by Professor Eliezer Jaffe, from the School for Social Work at Jerusalem's Hebrew University. It has only one purpose: to give aid to new olim during their first years, and after their grant from the Ministry of Absorption ends. "It was clear to us that olim could not fill the requirements needed to receive a bank loan," says Yona Cohen. "How can they repay the high interest rates that the banks demand? That is why this Association was created, and indeed the assistance given to olim is enormous." The conditions required to receive a loan at the Association's office, which is located at 64 Rehov Aza in Jerusalem, are very clear, the applicant must be a new immigrant, less than five years in Israel. The loans vary from \$1,000-\$3,000 for a single applicant, up to \$15,000 for expanding a small business. The loan is only dollar linked, and doesn't carry even a fraction of a percent interest. The main reasons for taking a loan are for buying a home or furniture by Ethiopians who are moving out of the caravans; paying for dental treatment;

buying clothing for children or infants; paying the telephone, water and electric bills; and costs for higher education. There are special loans for single parent families, families with many children, handicapped children, and the elderly. More than six million dollars have already been loaned by the Association, whose director says, "We don't need any floral crowns. It is enough to see the thankful expressions of the olim. The strangest part is that for the past two years the loaners have been repaying less money than they have borrowed as the value of the dollar keeps falling." An average of 200 loans are made each month. Hundreds of olim and other Israelis, have used these loans, which they receive under such easy terms, to successfully expand small businesses. One immigrant opened a small goldsmiths shop; another returned to the profession that he had in the Ukraine — watch repairer; another bought a sewing machine and some cloth and became a seamstress; a group of olim used their loan to open a coffee house.

WHERE DO THE RESOURCES FOR FINANCING THESE LOANS COME FROM?

Collecting the donated funds has also been done very quietly. Many donors who have contributed hundreds of thousands of dollars, have asked to remain anonymous. Well-known Israeli businessmen have also donated generously. But we still need more funding. As has already been pointed out, the money being repaid is less than the money that has been loaned out," says Yona Cohen. Hadas Dikeman, who is a student volunteer for the Association, explains that their existence is spread by word of mouth among the olim. The donors also tell their

friends about the Association's existence and suggest that they should also contribute to such a worthy cause. "Every oleh who leaves our office with a smile on his face and a sum of money in his pocket to give him hope brings joy to the Association's workers." The Association is considerate of the oleh's needs, and if he arrives in Jerusalem from Safed or Tiberias his travel expenses are often reimbursed "as even 50-60 NIS is a lot of money for a new oleh." The Association has almost no overhead. There are only four salaried workers, two at half a position and the other two at 2/3 of a position. If the shekel will be devalued in the future, then the olim will have to repay more money (since the loan is dollar linked), and this may be a burden for the borrowers. But the Association has taken this under consideration, and they will extend the payments over a longer period of time. "We are here to help the olim when the State stops helping them, after their first year, but they still haven't a solid economic basis in Israel. There are exceptional cases where we give help outside of our guidelines," Yona Cohen explains. Among these exceptions are: aiding an Ethiopian oleh to bring his mother's body to Israel for burial; aiding the parents of handicapped children, including the financing of trips; special aid for an Italian family that became entangled in very serious absorption difficulties. We even helped a family of olim where both parents contracted the AIDS virus.

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