

The Best Loans In Life Are Free

VIDA GOLDBAR



In Jerusalem's Center One Shopping Mall, Svetlana Tzenekov has opened a shop where she does custom dressmaking and designs casual wear. With a \$3,500 loan she was able to purchase a modern sewing machine and increase her inventory of fabric. Interest on the two-year loan? Zero.

Mahari Asmano and his family came from Ethiopia to an absorption center where they lived for two years. When they had to leave, he received a loan which enabled him to rent a modest flat by paying the advance rent landlords require. Again, no interest.

The designation Hebrew Free Loan Association has just about disappeared from American usage except in nostalgia pieces or biographies of earlier immigrants. At least in Atlanta.

In the early 1900s, the Free Loan Associations were lifesavers for Jewish immigrants to the United States, England and other countries. Interest-free loans with manageable repayment provisions started many a newcomer on the way to self-sufficiency and success.

In Atlanta in 1912, the Free Loan Association, along with the Montefiore Relief Association and the Jewish Educational Alliance, were incorporated into the six-year-old Federation of Jewish Charities.

According to Steven Hertzberg's "Strangers Within The Gate City," in 1914, the Free Loan Association "used its \$100 allocation to make \$2,200 worth of interest free, short-term loans." Immigrant beneficiaries were mostly from Russia.

Today another generation of Russian immigrants is being helped, this time through the *Israel Free Loan Association*. Of course, Israel's new immigrant population is not all Russian. Ethiopians and other new Jewish immigrants also receive help from IFLA.

Leonid Gutkovich is a special case. The musician/photographer is unemployable because of his severe diabetes. He must be self-employed. He plays music, part-time, in a Russian restaurant and does event photography on special order. With a \$2,500 loan, he was able to buy more professional equipment and increase his earning capacity. The loan is repayable over one-and-a-half to two years, depending on his income.

Many of the businesses aided by IFLA in turn employ other immigrants, helping ease both their burden and the government's.

This information, along with more case histories and other information was sent to me by Professor Eliezer D. Jaffe, who notes after his signature that he is "Chairman (without pay)." When he's not helping IFLA, Professor Jaffe is affiliated with the School of Social Welfare at Hebrew University of Jerusalem. The ad-

visory committee is a who's who of professors and rabbis, with a couple of political figures added.

In his cover letter, Dr. Jaffe said the IFLA now has hit \$2.25 million in its fundraising campaign. They'd like to double that. Since its founding three years ago, interest-free loans have been made to over 2,500 immigrants.

A survey of commercial loan advertisements in Israeli newspapers makes it all too clear why IFLA is needed: Interest on \$1,000 payable in 12 monthly payments ranges from 38

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percent to 48 percent. Interest on a bank overdraft is 34 percent and on a bank loan, 24 percent.

For a new immigrant that makes trying to get a start and get off the dole virtually impossible. IFLA's interest-free loans make the difference. And as these loans are repaid, the money is circulated again and again.

The booklet Professor Jaffe sent me features this quote of Maimonides: "A loan is better than charity, for it enables one to help himself." The Free Loan Association, now as in a generation ago, is a communal investment in the future. It is, truly a gift that lasts forever. □