



The Israel Free Loan Association is the largest interest-free loan organization in the world (according to its website – freeloan.org.il), and it has loaned out \$160 million to approximately 45,000 low-income families since its inception 21 years ago. While these numbers are indeed quite impressive, one needs to take a closer behind-the-scenes look at IFLA to really get a full understanding of the amazing chesed work they perform on a daily basis.

“Although many Israeli citizens make a good living, the fact is that a vast majority are struggling nowadays,” explained IFLA chairman Edward Cohen in an exclusive interview with the Jewish Voice. “In keeping with the Torah’s directive against lending to a fellow Jew with interest, our organization extends loans that are interest-free to low-income Israelis who are working, and will thus eventually be able to pay us back. We typically give 20,000 shekels – which is about \$5,000 – at a time to individuals and families in need, and they arrange to pay us back approximately \$100 a month over a forty to sixty month period.” Noting that 70% of the Israel Free Loan Association’s loans go to private citizens, while 30% is given to small businesses to keep them afloat, Cohen revealed that regular borrowers must provide two guarantors to back them up (in addition to their own personal guarantee of repayment), and the business proprietors must offer four guarantors.

The free-loan association gives its economically crucial loans to every type of Jewish Israeli, religious or secular, and regardless of ethnic background, be they Ashkenazi, Sephardi, Chareidi, or Ethiopian. And there is no shortage of stories about the virtually – and sometimes literally – lifesaving results produced by the association’s financial assistance. In one case, Ethiopian immigrant and father of two Gigno Beyenah found himself unable to pay the mortgage on his Jerusalem apartment, based on his \$1,000 a month salary as a court warden. Turning to IFLA, Beyenah found the much-needed break he had been long seeking. “I’m paying off the bank over 30 years,” he related. “Without this loan I could have defaulted. It didn’t solve all my problems, but it certainly relieved the immediate worry.”

Cohen told the Jewish Voice about another case wherein the Israel Free Loan Association played a key role in saving Jewish lives. “A recently married couple came to us desperate for help,” he said. “The wife had been pregnant with twins, but complications had set in, and they were born premature with serious lung problems. The doctors determined that the babies required a special antibiotic medication that is so expensive, the total cost for the twins came to \$110,000. The couple was able to raise 90% of the money on their own, but they needed us to loan them the remaining 10%. We did so, and Baruch Hashem, the babies fully recuperated.” Cohen happily recounted how the IFLA staff later met the two healthy infants, Noam and Itay, together with their ever-grateful parents Esther and Binyamin.

“The Rambam writes that the highest level of tzedakah is to enable a poor person to become self-sustaining,” Cohen mused. “With our loans, that is exactly what we do for so many people.” Cohen further noted that “the beauty of IFLA’s form of charity is that the many donated to us

Israel Free Loan Association – Rebuilding Jewish Lives Every Day of the Year

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stays with us forever – it is repeatedly lent out as part of a perpetual loan fund.” Informing the Jewish Voice that his organization’s tens of thousands of loans have stemmed from a total fundraising amount of \$36 million, Cohen told the Jewish Voice that any donor who gives IFLA a minimum of \$5,000 receives a loan fund named in their honor in return. Thus far, the free loan association has established three hundred of these named loan funds, some of which were endowed for \$1 million each.

Cohen also has interesting stories to tell about those individuals who so magnanimously contribute to IFLA. “One of our recent donors is a man who came to the United States as a German refugee at the end of World War II,” he recounted, “with no money and hardly any family here. After receiving aid that helped him get resettled and educated, he went into science and worked his way up to the point that he became one of NASA’s top scientists. As an elderly gentleman who never had any children, he came to us and explained that he wanted to use his ample savings to help disadvantaged children in Israel, as a form of payback for the assistance he had received when he was young. This man just sent us \$50,000, which by the way his sister has matched, and he has pledged to repeat the same donation every year.”

The chairman of the Israel Free Loan Association also had special praise for Robert Gottesman, a donor from New York who has given this “super gemach” a grand total of \$9 million so far, and has in particular established a matching fund of \$1 million. “This is a man whose modesty belies his tremendous generosity,” Cohen enthused. “He recognizes the importance of a charity like ours, which enables the recipients to maintain their dignity since they end up repaying their loans.”

IFLA was founded by Professor Eliezer Jaffe , a venerated teacher at Hebrew University in Jerusalem. Dubbed “Mr. Charity” for his philanthropic endeavors, Jaffe wrote a book entitled “Giving Wisely,” which has become the ‘Bible’ on the topic of tzedakah in Israel. He has also been awarded numerous monetary prizes honoring his charity work, the entire amounts of which he has always donated to IFLA. Without a doubt, Jaffe ’s beneficent philosophy has consistently guided the extremely compassionate and truly vital activities of the Israel Free Loan Association.