

FEDERATION'S POOLED IMPACT LOAN TO HEBREW FREE LOAN August 2021



OUR RESPONSE

At the start of the COVID-19 crisis in March 2020, [Hebrew Free Loan](#) was quickly inundated with an overwhelming increase in loan applications. Our community of philanthropists, led by Laura Lauder and others, responded immediately and generously, joining together to fund an impact loan to increase the amount of capital Hebrew Free Loan could access to meet the urgent needs of borrowers in our community. This was an early program of our growing [Community Impact Lending](#) Initiative.

Lockdowns and stay-at-home mandates created ripple effects of impacts. Business closures, school closures, layoffs, reduced hours, reduced or delayed client appointments for medical, legal, and other professions, and university campuses moving to remote classes all created a vast economic crisis for many sectors of our society. Those without deep financial reserves were hit the hardest.

WHAT IS AN IMPACT LOAN?

Like a charitable grant, an impact loan is a way to deploy philanthropic capital from donor-advised funds. Unlike grants, impact loans are re-paid to the participating funds after the loan term and can be re-deployed for other charitable purposes. Impact loans are pooled from across multiple participating Federation funds, bringing our Jewish community together for collective impact.



RAPID ACTION FROM THE COMMUNITY

With the opportunity to come together as a community and magnify our impact, we provided immediate support to members of the Bay Area Jewish community. In partnership with Hebrew Free Loan, we marshaled our collective resources to expedite getting much-needed funds to people in urgent situations.

BY THE NUMBERS

Total
Loans **359**

Average
Loan Size **\$15,549**




Total Dollars
Disbursed **\$5,597,000**

Summary of Loans by Borrower Type

RECIPIENTS	NUMBER OF LOANS	AVERAGE LOAN SIZE	TOTAL LOANS
Families	98	\$17,228	\$1,688,315
Individuals	85	\$15,359	\$1,305,496
Students	81	\$10,948	\$886,810
Businesses	48	\$20,237	\$971,390
Seniors	25	\$14,494	\$362,340
Couples	22	\$16,716	\$367,742

Loan recipients included small business owners, parents struggling to work while providing education and care for young and school-aged children, professionals whose practices slowed or closed, restaurant owners, students, and others.

LOANS WERE A LIFELINE IN THE CRISIS

 <p>For Individuals & Families, loans:</p> <ul style="list-style-type: none"> • Reduced housing and food insecurity • Mitigated forced relocation • Eased cash flow for basic needs • Prevented high-interest credit card debt 	 <p>For Students, loans:</p> <ul style="list-style-type: none"> • Ensured continuity of students' higher education • Protected students from higher-interest loan debt • Covered living expenses for students who lost work-study or summer jobs 	 <p>For Small Businesses, loans:</p> <ul style="list-style-type: none"> • Helped businesses pivot and adapt to stay afloat • Kept employees on payroll • Funded PPE and retrofitting for COVID-19 safety
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LOAN REPAYMENTS: ON TIME, ON TRACK

Borrowers are coming through the crisis largely because these interest-free loans have allowed them to weather the storm.

Dollars repaid by borrowers to Hebrew Free Loan are returned to the Federation on a quarterly basis and allocated to Federation DAFs, proportional to the original investment amount.

- Hebrew Free Loan has repaid \$1,241,027 to the Federation, which represents all loan payments made by borrowers to Hebrew Free Loan through June 30, 2021.
- Quarterly allocations to all participating DAFs were made in November, February, April and August.

THE PEOPLE BEHIND THE LOANS

Here are a few representative stories of loan recipients. More can be found on Hebrew Free Loan's website.



David and Prune Poznic: General Needs

David is a man of many talents — a teacher, actor, circus artist, acrobat, and mask maker. He has performed across Europe and trained Bollywood superstars in India. Now he and his wife, Prune Derriennic, are creating a different kind of life in Santa Cruz with their daughter, Alba, who just turned two. The COVID-19 pandemic has made this much more difficult than they anticipated.

When they settled in Santa Cruz, David stopped touring and built a career performing and teaching locally, including performances for

local companies like Google and Facebook. He and Prune bought an uninhabitable fixer-upper, did much of the preliminary work themselves to save money, and were ready to hire a construction crew to do the rest.

In March of 2020, David's income disappeared overnight, and the friend who was going to provide a construction loan suffered severe business losses. David and Prune were struggling to cover both their mortgage and the rent on their temporary housing. They also had a team of construction workers lined up who were counting on the employment to take care of their own families. That's when they turned to Hebrew Free Loan.

Almost a year after receiving their loan, David has pivoted to develop alternative income streams, including an online fitness program, Poznic Training, available on YouTube and Instagram. He is training clients from all over the world via Zoom, finally earning enough to cover all of his family's bills. He's built an online fitness channel that has almost 100,000 followers, and he's a few months away from launching a fitness app that will provide a more secure, long-term source of income. And, after a year in which everything that could have gone wrong did, their home will be habitable in the very near future.

"We were very afraid we were going to lose our house ... for a long time it seemed like a question of not if, but when. But the house is still ours – the home of our dreams – and we're thrilled to be moving in soon. We appreciate the help we got from Hebrew Free Loan so much."

Justine Chadly: Business Loan

When Justine Chadly couldn't find a creative arts program for her two-year-old, she decided to start one herself. Justine grew up in San Francisco and settled in Benicia as a single mom after her son was born. She began offering Music Together classes for other local families, which channeled her passion for music into a meaningful career that supported her and her son.

Seventeen years later, In Harmony, has grown into a thriving business that employs nine teachers, offering music and movement classes in Benicia, Napa, Marin, and San Francisco. When shelter-in-place orders stopped in-person classes, In Harmony's revenues dropped by 85%. It's been a slow climb back, fueled by Justine's ingenuity and determination, along with a COVID-19 loan from Hebrew Free Loan.

In Harmony has pivoted to offer most of its classes online, along with a small selection of outdoor classes at local parks. Private sessions are also available to small preschool and elementary learning pods.

Although revenue is still far below normal, Justine is committed to keeping her teachers on payroll and holding on to her studios, until she can hold on-site classes again. Hebrew Free Loan's support has been key to In Harmony's ability to continue making payroll and rent while the new model takes hold. In Harmony has found one bright spot in the pandemic, with people tuning in from all over the world and creating community in new ways.

Almost a year after receiving her loan, all of In Harmony's locations are open, and all of Justine's teachers are still working. While enrollment remains lower than pre-pandemic levels, Justine feels like she's weathered the storm. Hebrew Free Loan's support gave her a financial cushion that allowed her business to survive and inspired her to give back even more to families in need. She offers scholarships and free classes to those who are struggling, and children and families alike are grateful to experience this bit of normalcy during turbulent times.



Hebrew Free Loan's support allowed us to keep our studios open and our teachers working during the pandemic. I'm grateful we can bring so much joy to our community during these dark times. Knowing I can turn to Hebrew Free Loan for financial support and community means the world to me."

Justin Griggs and Tory Eliot: Debt Consolidation



Tory is a dedicated high school English teacher, teaching full-time on Zoom this year. Justin is the primary caregiver for their two-year-old daughter Jewel and works part-time as a learning specialist at Temple Isaiah in Lafayette. He loves being with children and working at the synagogue has deepened his connection to Judaism in meaningful ways. Justin is also a part-time cashier at Whole Foods.

“The help we received from Hebrew Free Loan has been unbelievable. Our loan officer was so comforting and simplified something that felt overwhelming to us. We were speechless with gratitude when we found out our loan was approved. We couldn’t wait to tell our family!”

The pandemic put a strain on their family finances. Much of Justin’s income came from his work in Temple Isaiah’s summer program, which was canceled last summer, and his hours for the school year were cut as well.

Like many young families in the Bay Area, Justin and Tory had more credit card debt than they felt comfortable with, even before the pandemic. It had accumulated gradually, a result of the high cost of living here and their work in lower paid professions. Their

family also includes Justin’s 14-year-old daughter Lux from his previous marriage. Once COVID-19 hit and their income was reduced, they took a sobering look at the interest rates they were paying and made a commitment to get out of debt.

Justin and Tory had seen a flyer about Hebrew Free Loan’s programs at Temple Isaiah, but they were hesitant to disclose their debt to someone else. Once they did, their fears dropped away, and their only regret was that they hadn’t applied sooner.

With the help of their loan from Hebrew Free Loan, Justin and Tory paid off virtually all of their credit card debt and reduced their monthly payments at the same time. They’re tremendously relieved to be out from under the burden of high-interest debt, especially in this uncertain time. The couple is excited to start saving for their family’s future, and they look forward to the days ahead.

Congregation Beth El & Camp Kee Tov: Community Jewish Organization

A \$50,000 loan helped Congregation Beth El, a 75-year-old Berkeley reform synagogue, manage financial losses when the pandemic forced program limitations of its summer day camp, Camp Kee Tov. By assuring the stability and continuity of both Congregation Beth El and Camp Kee Tov for the future, this loan had a positive impact on Beth El’s 540 member households, the 800 children who typically attend Camp Kee Tov every summer, and the 40 camp counselors who are employed by Camp Kee Tov. We were thrilled that a COVID-19 loan ensured the stability and continuity of a Jewish institution that is central to the fabric of Bay Area Jewish life.

“I’m grateful to the Federation for partnering with us in such an innovative way to alleviate the financial hardships that people were experiencing. The Federation staff and donors responded with immediate action in a time of tremendous need, and they respected and trusted us to do the work we know how to do.

Together we created something that hadn’t been done before. It’s truly a model for other communities.”

- Cindy Rogoway, Executive Director of Hebrew Free Loan