

The JCF - Ogen Israel Impact Loan Program

We are proud to announce the JCF - Ogen Israel Impact Loan Program, an opportunity for JCF Fundholders who are looking to maximize their social impact in Israel in a way that pays dividends to their fund, amplifying their future charitable giving.

What is it?

This is an innovative collaboration spearheaded by **Jewish Communal Fund (JCF)** and **Ogen**, formerly the Israel Free Loan Association (IFLA), a non-profit social lending group providing affordable credit and financial guidance to disadvantaged segments of the Israeli public.

This program allows current and prospective JCF Fundholders with accounts of \$500,000 or more to recommend that up to 50% of the charitable assets in their JCF donor advised funds be invested in Ogen's Social Loan Fund. The fund makes low-interest loans to Israeli small businesses and not-for-profit organizations alongside financial guidance and mentoring from Ogen and partners.



How it works

- Social impact lenders must have a minimum JCF fund balance of \$500,000.
- Minimum impact loan is \$100,000.
- Ogen will make low-interest loans of up to \$57,000 (200,000 shekel) to small businesses, helping entrepreneurs to launch, rebuild or expand their small business. Ogen will use funds to make bridge loans and emergency working capital loans of up to \$190,000 (650,000 shekel) to Israeli nonprofits as they wait for their government reimbursements or pledged private funding, or invest in their future growth. Loans are given alongside financial guidance and mentoring.
- Impact lenders receive detailed quarterly reports from Ogen.
- Principal is currently safeguarded by 15% loan loss coverage through Israel's State Guarantee Fund, as well as supplemental philanthropic risk mitigation grants that make up a further 5%, denoting 20% risk coverage in all.
- Alongside making an Impact Loan, JCF Fundholders are invited to make grants towards Ogen's risk mitigation reserves, where each \$1 granted enables \$20 in lending.
- At the end of the five-year loan term, the fund will receive an amount equal to the amount in Israeli New Shekels on the date the loan is made, plus accrued simple interest at a rate per annum equal to 1%.

Background

Ogen's credit and financial mentoring solutions are designed to improve financial opportunity and empowerment, creating a fairer and stronger economy for all Israelis. Having lent more than \$360 million since 1990, with a **loan repayment rate of 99.3%**, Ogen has extensive experience in managing loans to borrowers otherwise considered high-risk. Ogen's loans help Israelis without access to fair and affordable credit to overcome financial challenges, grow and prosper. The collaboration between JCF and Ogen has a double bottom line: Financial & Social Return.

The **JCF - Ogen Israel Impact Loan Program** will enable JCF Fundholders to make an impact loan in Israel through **Ogen - Social Loan Fund**, which is licensed by Israel's Capital Markets Authority and has over \$45M AUM. At the end of the investment period, the principal is returned to the JCF fund, to be granted out to charity. This enables fundholders to achieve far-reaching social impact.

The Israel Social Loan Fund will conserve and return investor capital rather than take risks with it. As a low-risk, fixed-income investment, the fund also offers the option to receive modest annual interest.

How does this differ from traditional grant-making?

Unlike traditional philanthropy, a JCF Israel Impact Loan to Ogen allows you to achieve far-reaching social impact without permanently committing any capital. At the end of the five-year term, principal and accrued interest will be paid (based on the **then-current Israeli New Shekels/U.S. dollar exchange rate**.) to the JCF Fundholder's account and available for grants to charity or reinvestment. Therefore, in addition to the risk of default inherent in any loan, the fund will bear the Israeli New Shekels/U.S. dollar currency exchange risk.

Ogen's borrowers include:



Wild Dog Cold Brew

Wild Dog Cold Brew, a company based in Srigim, a small town on the outskirts of Jerusalem, specializes in brewing and selling cold brew coffee. The founder, Josh August, is a former lone soldier and a true coffee enthusiast. He infuses his coffee with nitrogen to create a creamy texture and strives to make his product accessible, affordable, and eco-friendly. Interested in business expansion, Josh approached Ogen and received a loan of NIS 100,000 with which he was able to set up his kegs with taps in high-tech offices and startups in the Tel Aviv area as well as trendy cafes, and gained steady customers in strategic locations such as Sarona Market. Josh has expressed his immense gratitude to Ogen for the vital assistance in getting Wild Dog Cold Brew up and running.



Aderet

Aderet is a pluralistic pre-army leadership academy ("mechina") striving to educate future leaders committed to building a better Israel. Students at Aderet engage in a dynamic study program that focuses on how Jewish tradition and values are relevant to reforming the public sphere in Israel today, as well as community activism programs such as an ecological awareness program to renovate deteriorating natural sites throughout Israel.

90% of Aderet's revenue stems from government and tuition. The organization applied to Ogen for a loan for further growth, including opening another branch of the academy and a project to preserve an important historical site. Aderet received a loan of ILS 175,000.



jcfny.org



ogen.org

Jewish Communal Fund is one of the largest networks of Jewish funders, managing nearly \$3 billion in charitable assets for more than 4,700 donor advised funds. JCF's donor advised funds make giving easy, flexible and efficient.

Ogen provides affordable, life-changing loans and financial mentoring to low and middle-income Israelis, small businesses and not-for-profit organizations in Israel. Ogen has 30 years of experience as a non-profit lender, helping borrowers without access to fair and affordable credit to overcome life's financial challenges. Formerly the Israel Free Loan Association, Ogen has made more than 65,000 loans and lent more than \$360 million since 1990.