From the President and Executive Director

The Hebrew Free Loan Society, the oldest microfinance organization in New York City, has been making interest-free loans to those in need since 1932.

In Jewish tradition, helping people help themselves is the highest form of Tzedaka (charity). Our loans foster economic independence while preserving the dignity of the borrower. Since our founding, the Society has provided over $270 million in loans to more than 870,000 borrowers, while maintaining a loss rate of less than 1%. Lend out again and again, our loan capital has the potential to help an unlimited number of people in perpetuity.

Among the highlights of the past year:

• For any organization, it is crucial to focus on the future, and we are now immersed in a strategic planning process to set a path for the years ahead. The ability to adapt interest-free lending to meet the changing needs of the community has been a hallmark of our work in recent years; this strategic planning process will help us respond to emerging trends in a Jewish community undergoing rapid change.

• In October 2012, with the support of UJA-Federation of New York, we launched an intensive entrepreneurship program for baby boomers impacted by the recession and its aftermath. Encore Entrepreneurs, now entering its third year, provides those thinking about starting a new business with the skills and support to do just that.

• Our Microenterprise Program continues to thrive, helping families in the Haredi community establish or expand a small business as a path to economic self-sufficiency. Ours is the only microenterprise program in North America targeting this community.

• We updated our look! We launched a new website and have new Facebook, Twitter, and LinkedIn pages. Please visit our site, follow us, and connect every way you can.

Since 1892, donors committed to the singular power of the interest-free loan have enabled us to meet crucial needs in the Jewish community and beyond. Your support changes lives every day. Thank you.

Vivian Mamelak assumed the office of Board President in February. A board member for five years, she most recently served as Treasurer and is looking forward to guiding the organization with the findings from the strategic planning process. Vivian succeeded David Kamovsky who co-chaired our Strategic Planning Committee in 2006 and is leading the current process.

Shana Novick
Executive Director

David M. Kamovsky
Immediate Past President

Vivian Mamelak
President
Meet Steve & Liz

Thousands of New Yorkers were affected by the recession and its aftermath.

In 2008, Steve was laid off from his position as Managing Director at a real estate consulting firm. In 2012, Liz was laid off from her role as Vice President and Senior Human Resources Consultant at a large financial institution.

The two met at an outplacement service. Liz told Steve about an entrepreneurship course run by the Hebrew Free Loan Society and funded by UJA-Federation of New York, offering baby boomers the skills needed to start a new business.

That course, now called “Encore Entrepreneurs,” taught them valuable basic business skills, ranging from setting realistic financial goals to prizing to social media and e-commerce marketing. In addition, Steve added, “the camaraderie, support, and honest feedback within the class were added benefits.”

While each initially intended to start a separate consulting firm, what they learned during the course made them realize that if they aligned professionally, they might be even more successful.

Today, they run the Felix & Weiner Consulting Group, a growing consulting firm providing presentation coaching to mid- and high-level executives in the US and Europe.

Meet D’Andre

D’Andre is an 18-year-old with dyslexia who lives in Harlem with his grandparents. When his grandfather turned to Advocates for Children for assistance, D’Andre was reading at a first-grade level and repeating ninth grade for the fourth time.

Through our partnership with Advocates we provided bridge loans to cover the cost of a highly specialized reading tutor in advance of final determination of his eligibility for government support.

With intensive tutoring, D’Andre made tremendous progress, and in just six months reached a fourth grade reading level.

Were it not for those loans, D’Andre would still be waiting to receive the help he so desperately needed to make academic progress. We’re pleased to report D’Andre is now studying to complete his high school equivalency test.

Meet Joel

As a certified personal trainer who has worked at a top New York gym, Joel Gottesfeld had a passion for fitness he was eager to share with his Haredi community in Boro Park.

When he opened Better Health Studios in a 400-square-foot basement in 2010, he found there was quite a market for Haredi men who want to improve their health, lose weight, or reduce stress.

In 2013, the business relocated to an 1800-square-foot storefront, but the location was plagued with recurrent facility problems. In order to relocate and renovate a new gym, Joel came to HFLS for a loan. At around the same time, his wife, Yael, enrolled in the HFLS Basic Business Course for Haredi Women.

Thanks to a microenterprise loan from HFLS, Joel was able to move to a 2300-square-foot location this year, providing a state-of-the-art health club for his clients. Using the knowledge she gained from the HFLS course, Yael helps run the business, focusing on finances and marketing.

Today Joel and Yael have seen their client base grow, and the business continues to flourish in its new space.
## Our Core Programs

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>MAXIMUM AMOUNT OF LOAN</th>
<th>OUR PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Immigrant Program</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic needs or emergencies</td>
<td>$5,000</td>
<td>F.E.G.S. (Brooklyn Resource Center)</td>
</tr>
<tr>
<td>College tuition</td>
<td>$7,500 per year</td>
<td>Jewish Community House of Benshamunt</td>
</tr>
<tr>
<td>Graduate school tuition</td>
<td>$10,000 per year</td>
<td>Shorefront YM-YWHA</td>
</tr>
<tr>
<td>Vocational school tuition</td>
<td>Varies, up to $15,000</td>
<td></td>
</tr>
<tr>
<td>Tuition for professionals from the Former Soviet Union retaining here in a profession</td>
<td>$7,500 per year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$22,500 total*</td>
<td></td>
</tr>
<tr>
<td><strong>Haredi Program</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and basic business training for Haredi entrepreneurs starting or expanding a small business</td>
<td>$25,000</td>
<td>Mishkan Yecheskel</td>
</tr>
<tr>
<td>Tuition for mature students returning to school</td>
<td>$7,500 per year</td>
<td>New York City Department of Small Business Services</td>
</tr>
<tr>
<td>Basic needs or emergencies</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td><strong>Special Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special education tuition for families entitled to and awaiting Department of Education settlement/award proceeds</td>
<td>$30,000</td>
<td>Agudath Israel of America</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advocates for Children</td>
</tr>
<tr>
<td><strong>Encore Entrepreneurs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic business training for baby boomers impacted by the recession and its aftermath; Loans are available to eligible course graduates starting in October 2014</td>
<td>$25,000</td>
<td>Kauffman FastTrac*</td>
</tr>
</tbody>
</table>

*All loans require creditworthy guarantees.

*Maximum amount of loan depends on number of academic years financed.

**Our Loans at a Glance**

**LOANS OUTSTANDING AS OF JUNE 30, 2014**

$11,114,000 TOTAL

- Immigrant Program: $1,170,000 (11%)
- Haredi Program: $260,000 (2%)
- Student Aid: $210,000 (2%)
- Emergency Aid: $200,000 (2%)
- Microenterprise: $1,870,000 (17%)
- Special Education: $1,810,000 (16%)
- Immigrant Program: $6,023,000 (55%)

1. Includes Adoption and Jewish Education/Teacher Housing Loan Program.
2. Excludes business loans.
3. Includes the Rudin Nursing Loan Program which supports graduate nursing education for nurses at selected hospitals.
4. A nonsectarian safety net program.

## Statement of Activities

**YEAR ENDED JUNE 30, 2014**

**OPERATING REVENUES**

- Federation of Jewish Philanthropies:
  - Grants: $301,000
  - Administrative Fees: 71,000
- Total Federation revenues: $380,000
- Contributions: 31,400
- Program grants: 85,000
- Special events (net): 72,000
- Administrative fees: 35,000
- Investment income (net): 607,000
- Total revenues: 1,493,000

**OPERATING EXPENSES**

- Operating expenses: 1,465,000
- Excess (deficiency) of revenues over expenses: 28,000

## Analysis of Loan Activity

**YEAR ENDED JUNE 30, 2014**

<table>
<thead>
<tr>
<th>LOANS RECEIVABLE</th>
<th>ALLOWANCE FOR CREDIT LOSSES</th>
<th>LOANS RELACED, NET</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2013</td>
<td>$11,062,000</td>
<td>($380,000)</td>
</tr>
<tr>
<td>Loans issued</td>
<td>8,026,000</td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>8,474,000</td>
<td>58,000</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>$11,114,000</td>
<td>($322,000)</td>
</tr>
</tbody>
</table>
2014 Annual Benefit Celebration

On May 29, 2014, Hebrew Free Loan Society celebrated 10 years of its Microenterprise Program at the Harmonie Club. The program, launched in 2004, provides a path to self-sufficiency through the creation/expansion of small businesses.

Since the program’s inception, a key community partner has been the Business Solution Centers of the New York City Department of Small Business Services (SBS). The Centers provide critical pre-loan technical assistance, helping all our borrowers develop a draft business plan.

We were honored to have Robert Walsh, SBS Commissioner, in the Bloomberg administration, join us as our guest speaker.

Our Donors: 2014 Annual Benefit Celebration

$10,000 and over
- Citib Community Development
- Silly R. Golden
- Vivian Mamelak and Alan Demers

$5,000-$9,999
- Rachel Giftz-Lamatino and Alan Latman
- Sandra R. Kahn
- Ian Shrank and Alexandra W. Logue

$1,000-$4,999
- Baker & Hostetler LLP
- Jill and Jay Bernstein
- Sarah and Abraham Biderman
- Ellen M. Braitman and David J. Shapiro
- Minnie Chen and Jackson Hsiaw
- Clifford Chance US LLP
- David and Ronna Friedman
- Valerie and Mark J. Genlein
- Phyllis and Gary Gladdstein
- Lee Grinberg
- InterContinental Hotels Group
- Kantor Foundation, Inc.
- Sue A. Kaplan and Daniel M. Kaplan
- David M. Karnovsky
- Batya and Ezra G. Levin
- Matthew J. Mayers
- The New Kolman Sunshine Fund
- Grid Realty Corporation
- Propp Foundation, Inc.
- Rothstein, Kass & Company
- The Salnah Family Foundation
- Philip Schatten
- Michael Zedek

$500-$999
- Anonymous
- Stanley M. Bogen
- Areyt Berkoff
- Louise and Robert Cohen
- Concert Risk Management, Inc.
- Jane Criner and Mark Berger
- Emily and Michael Gitter
- Andre Jacobowitz
- Shirley and Morris Karnovsky
- Brandy Katz
- Lois Cohen and Gary Cohen
- Dane and Stanley Kleink
- Evan M. Raine
- Dana and Steven H. Weiss
- Allison B. and Cory Wishengrad
- Susan and Jordan Yarfit
- Rita and Lloyd Zeitman

$499 and under
- Debbie Albert
- Carol and Steve Bassin
- Zachary Bennett
- Saul Burin
- Rushe Chishky
- Vivian Choll
- Joycelyn and Fred Czer
- Tedree Popek
- Sedey Davidenko
- Betty Ehinberg
- Esta and Jay Raino
- Amy and Lester Friedlander
- Cara and David Glasser
- Heather and Jon Glassman
- Leon Goldberg
- Michelle Greenberg-Kobin
- Jeffrey Kornblum
- Matthew Gross-Winter
- Baki Snyder Gross and Mark J. Gross
- Sharon Hayden
- Frances Degen Horowitz
- Abraham Joel
- Judy and David Katz
- Mary and Stefan Kripke
- Jesse Lee
- Arlene and Joseph Mamet
- Ruben and Allen Margolis
- Laura F. and Steven J. Pakey
- Nicole Rothschild and Leonard DiPietro
- Betsy and Arthur Selkowitz
- Madeleine Shriver
- Eric Silman
- Rita Arons Silver
- Tamir Snyder
- Ginny and Tom Wallin
- Sanford Warshawsky
- Miriam and John Wazeter
- Rita and Monty Weinberg
- Sheila and Harold Weinstock
- Vicki and Austin Zalkin
- Kim Zeitman
2014 Next Generation Annual Benefit Celebration

On March 13, 2014, the HFLS Next Generation Board, a group of young professionals committed to supporting the Society’s mission, honored Richard Joffie, co-founder and CEO of Park Assay, at its annual spring benefit held at New York’s Hudson Terrace. With more than 150 attendees, the Board presented its first ever Young Entrepreneurship Award to Mr. Joffie for his philanthropic efforts.

Our Donors: 2014 Next Generation Annual Benefit Celebration

**$500 and over**
- Ethan Liebowitz
- Avi and Guy Levy
- Samuel J. Lieberman
- Cavanagh Growth Fund
- Vivian Mermelstein
- Alan Denets
- Mitchell Mintz
- Hillel Chiswick
- Jodi Tauro
- Simone Salamon
- Elizabeth and Jonathan Schreiber
- Michelle and Jed Schwartz
- Steven Seidman
- Lisa Sheina
- David Silverman
- Janine and Michael Stern
- Evan Storm
- Jennifer Tabor
- Lisa Tschetter
- Oren Yehudah
- Jacob Young
- Aseel Zekai
- Andrew Zinman

**$100-499**
- Jacques Alcacer
- Arie Belyk
- Zachary Bennett
- Richard Boyzman
- Ellen M. Bratman and David J. Shapiro
- Adam Daum
- Elliott Davis
- Isaac Dayan
- Michael Dickson
- Noah Eibogen
- Joseph Feldman
- Tal Fishman
- Aaron Gant
- Daniel Greenwald
- Alan Haines
- Elliot Hochster
- Scott Jaffe
- Alex and David Kahn
- Edward L. Karan
- Shira Kaufman
- Samuel Kessler
- Stacey Korman
- Melissa Lasker

**$59 and under**
- Martin Abel
- Matthew Ackerman
- James Aronson
- Liz Asher
- Ariel Beier
- Jonathan Barokas
- Michael Basman
- Noam Bein
- Sara Blanchard
- Samuel Bluck
- Jay Blumrosen
- Ethan Brodine
- Michael Brown
- Samantha Braverman
- Rachel Brenner
- Jonathan Brickman
- Meghan Bright
- Daniel Bushinsky
- Randy Can
- Rachel Chalkey
- Jeffrey Chubak
- Stuart Cohen
- John Cohn
- Adam Dranid
- Eric Eggdemon
- Avital Faye
- Marcus Fuchs
- Samuel Fuchs
- Lindsey Friedman
- Elliott Frigett
- Stephanie Genet
- Heather Gump
- Jeffrey Goldber
- Anna Goldberg
- Robert Goldberg
- Craig Gorman
- Scott Green
- Nina Glätz
- Lisa Guterman
- Jeffrey Herman
- Rachel Hirsch
- Louise Jacobowitz
- Rebecca Kahn
- Maria Kakey
- Michael Kalicz
- Hannah Kaplan
- Kim Katz
- Ron Kimchi
- Matthew Kolak
- Hwla Kohl
- Sarah Krouse

Jessica Korenblatt
Daniel Krauss
Stephanie Lasky
Sarah Lavey
Noam Lebowitz
Marc Lessler
Ariel Levine
Joshua Levine
Clara Magrak
Henry Magrak
Benjamin Miller
Art Polotsky
David Ron
Jacob Payne
Jenna Rosen
Jessica Rosen
David Rotbard
Eilen Rich
David Salomon
Zephyr Salzman
Daniel Schneier
Jamie Sears
Michael Seidman
David Shahmoon
Ron Soffer
Stephanie Sorkin
David Stiefel
Jenna Stiefel
Rachel Tisch
Cleg Vomik
Wendy Wasserman
Mark Weingart
Rahel Williams
Kim Zeitlin
Benjamin Zilka
David Zilka