

Friendship Bridge Empowers Rural Guatemalan Businesswomen

Somewhere deep in rural Guatemala, a woman who runs a tiny store to support her family is going to be able to stock up on Easter items and make a better profit when the holiday arrives this year. One of her neighbors, a butcher, has been able to purchase a freezer so that she can sell her stock of meat over time instead of having to watch it spoil if it's not sold immediately—an investment that has quickly paid for itself.

These woman and more than 20,000 others have received microloans through Friendship Bridge, a nonprofit agency that empowers impoverished Guatemalan women to create better futures for themselves, their children and their communities through microfinance and education. Friendship Bridge works primarily in indigenous communities in rural areas that are experiencing some of Guatemala's highest rates of poverty and illiteracy.

“Access to capital allows these businesswomen a chance to run their businesses more efficiently and more profitably,” said Rebecca Cueto, Treasury Manager of Friendship Bridge. “They operate in the informal economy, so they don't have access to credit.” Friendship Bridge's average loan size is \$350 over nine months and their clients have a track record of 98% loan repayments.

Friendship Bridge has seen encouraging trends. “The longer clients work with Friendship Bridge, the more and better food they're providing to their families, the longer their children stay in school, and the more health care they seek for their families,” Rebecca said. “We also see some of our clients rising up through several poverty levels. Even if they aren't able to rise out of poverty in their lifetimes, we're hoping to see changes over generations.”

Friendship Bridge was delighted to receive its first loan from RCIF in 2014. “Because of RCIF's lower interest rates, those dollars can go further and help more women than if we had taken a commercial loan,” she said. Beyond that, when I first spoke with Sr. Corinne she explained that RCIF allows the sisters to continue to do their ministry even if they're no longer in the field. We are so honored to be part of that and to continue the mission of the sisters who worked so hard during their careers.”



A Friendship Bridge client at work. Photo courtesy Ben Rasmussen.



A Friendship Bridge microcredit client weaves artisan textiles on a backstrap loom. Photo courtesy Richard Kalian.

NHSSV Helps Middle-Class Families Stay in their Community

Moderate-income families in Silicon Valley, California, face one of the nation's most expensive housing markets. Two-bedroom rental apartments average \$2700 per month; the median price for a single-family home is \$800,000. In nearby San Francisco, two-bedroom apartment rentals average \$4500 and in many neighborhoods all home sales are over \$1 million.

“The high cost of housing means that the people who are the heart of our workforce can hardly afford to rent an apartment, let alone purchase a house,” said Matt Huerta, Executive Director of Neighborhood Housing Services Silicon Valley (NHSSV). “These are people who are public service workers, assistant managers at grocery stores, and other service sector workers who in most markets around the country would be able to purchase a home. But here the housing cost burden is too high, which dramatically impacts people’s quality of life and their ability to live close to where they work.”

The problem of out-of-reach home costs impacts not just individual families, but the community as a whole, according to Matt. “It’s a social justice issue,” he said. “We’re seeing people being displaced from communities that they and their families have invested in, sometimes for generations. There’s something wrong with that. But secondly, for economic stability you need to have a mix of housing types to serve a diverse workforce. Otherwise you’ll have large numbers of people living hours away, driving in to work, impacting air quality, infrastructure, education—it all stems from the housing side of things, and it impacts everyone’s quality of life.”

In response, NHSSV has educated and counseled over 7,500



Matt Huerta at Silicon Valley Neighborhood Development Training Conference in San Jose.



Client Isabel with Diana Ramirez, NHSSV's Community Development Assistant.

prospective homebuyers since the agency was founded in 1995. Since 2001, NHSSV has provided direct loans to 430 low- and moderate-income homeowners for a total investment of over \$125 million. “We made 73 loans in 2014,” said Matt. “That’s 73 affordable loans to low and moderate-income families who would have spent a lot more to purchase those homes using a conventional mortgage bank. The lower monthly payments and the financial education we provide create economic security. That’s a big part of our mission.”

In 2014, RCIF invested \$250,000 in NHSSV. “RCIF’s in-

vestment has been absolutely critical in meeting our goals,” Matt said. “RCIF really understands that in order for us to make homeownership opportunities available, we need flexible access to credit and interest rates that are below market. That investment allows us to purchase a home, improve it, and extend first mortgage credit to a family until we sell the loan directly to Fannie Mae. Sister Corinne was so diligent and helpful in her underwriting process and very fair about how we were treated, and now those funds are improving our operating capacity and helping us get more families into affordable homes.”

RCIF Luncheon at RCRI National Conference

In November 2014, RCIF hosted a luncheon for its sponsors during the National Conference of the Resource Center for Religious Institutes (RCRI). It was an opportunity for sponsors to meet each other and the RCIF board and staff, and to hear about our accomplishments. Twenty-two attendees came, representing 11 sponsors and one potential sponsor.

Sr. Patricia Boss, OP, the Chief Financial Officer for Dominican Sisters of San Rafael, was one of the investors who attended. “We met at a beautiful restaurant in downtown St. Louis,” she said. “Sr. Corinne gave us a thoughtfully balanced presentation, a delicious meal, and a chance to meet other investors. It was food both for our soul and for our collaborative effort in community investments, and a lovely and friendly time.”

The luncheon was a chance to reflect on our collective impact through RCIF. “We were so en-



From left, Barbara Kavanaugh, SNDdeN, Kathleen Hilton, SNJM, Mary Ellen Holohan, SNJM and Catherine Ferguson, SNJM at the RCIF luncheon.

couraged that this effort we’re investing in is making a difference,” said Sr. Patricia, “one that we couldn’t make individually, particu-

larly for the smaller communities. When we come together in a collaborative effort, we magnify our voice for justice and development.”

Sister Corinne Florek Receives Spirit of Community Award

In October Mercy Loan Fund awarded Sr. Corinne Florek their Spirit of Community Award during a reception celebrating the 30th anniversary of the Opportunity Finance Network, a national organization of community development financial institutions (CDFIs). Sr. Lillian Murphy, RSM, recently retired CEO of Mercy Housing, also received a Spirit of Community Award.

Julie Gould, President of Mercy Loan Fund, said that Sr. Corinne “has spent her career finding and creating economic opportunities for low income people and communities, using CDFIs as the mechanism. She has raised her voice for religious communities to put their investment capital to work furthering their ministries to the poor.”

“It was a great honor to receive the award along with Sr. Lillian Murphy, who had led Mercy Housing for 27 years,” Sister Corinne said. “I used it as an opportunity to encourage everyone to follow our example and invest some of their retirement portfolio in CDFIs like Mercy Loan Fund.”



Sister Corinne Florek, OP, left, and Sister Lillian Murphy, RSM, listen while Mercy Loan Fund President Julie Gould presents their award. Photo Courtesy of Mercy Housing.