

Micro-finance banking project

Micro-loans, micro-industry, low-tech mushrooms, chickens and goats create employment, income and hope in the developing world. For years, micro-loans for micro-business have been our means of helping the needy in Malawi and Africa to move towards self-sufficiency and the ability to help others in their family and in their churches.

Where does the concept come from?



The inspiration for such a loan granting concept came originally from Deuteronomy 15:7-11 in the Bible.

*"But if there are any poor people in your towns when you arrive in the land the Lord your God is giving to you, do not be hard-hearted or tight-fisted towards them. **Instead be generous and lend them whatever they need.** Do not be mean spirited and refuse someone a loan because the year of release is at hand. If you refuse to make the loan and the needy person cries out to the Lord, you will be considered guilty of sin. Give freely without begrudging it, and the Lord your God will bless you in everything you do."*

EAPTC began its first micro-finance banking project in Malawi in 2006, and since then numerous people have experienced life-changing power of the gospel even in their financial aspects.

How does it work?

1. We receive funds in the form of gifts as "investments" from our friends and supporters at overseas. Jesus said to some of his servants to whom he had entrusted money, "Put this money to work until I come back (Luke 19:13)." When you have read how good and effective this project is, you might like to send a gift to help us start another micro-finance banking project in Malawi and other African countries. We always have a waiting list.

2. We take applications for new projects only from and/or through leaders, students or graduates from one of our EAPTC Bible school centers, a man or a woman with a vision for serving the poor and with the necessary spiritual and administrative skills. We are limiting our selection this way so that we may receive applications from only those whose spiritual and social background are clearly known to us. Besides, we believe in partnership without control or ownership. After approval, we equip our partner with **start-up funds** and he or his organization or church will also raise some local funds obviously on a very much lesser scale but we see their material contribution as very valuable and it is a clear sign of ownership, risk sharing and partnership.



3. The leader who is 'on-site' and now in close relationship with us **responds to one local village or group** at a time and announces the availability of micro-loans. The people are informed that credit is available to lend in small amounts for the **one purpose of creating genuine self-employment through micro-industries or working from home** with the sole goal of being able to raise the owner and the workers to a place of self-sufficiency in life and **enabling them eventually to be generous** towards others.

4. The project offers either **interest-free** or **very low interest loans** of say, \$20, \$40 maybe up to \$60, **but no more**. The loan has to be repaid over 6, 12 or 24 months in **weekly** installments out of earnings beginning immediately. Compared to the commercial bank rates of 18% and above and the loan shark rates of anything up to 100% or more, a 3% rate is welcomed by all and is no burden. Some banking projects do not charge interest at all but expect that the beneficiary brings **a gift at the end** to increase the general fund for the use of others. If a gift of products is brought, then these are sold in the markets or churches and the money added to the general fund. As such the fund is revolving, slowly increasing, always going out and always coming back in for others.

