

Pignon Ministries Microloan Project Update Report October 2010



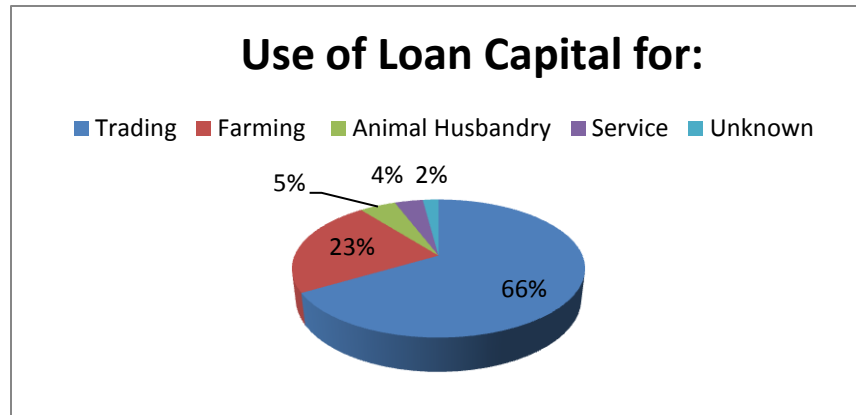
*Pictured right:
A microloan recipient in Pignon selling cell phone products*

Project Overview

Started in May 2008, the microloan program in Pignon, Haiti continues to succeed offering immediate financial help and long term economic hope to the extreme poor. In June 2010, the pastor's association, CEPAM, who manage the loan program in Pignon, extended the 5th cycle of the loan program, with capital amounts up to \$250 (USD) to 536 of the most needy families in their local area. The following chart lists the graduating loan values, dates of loan period, and the number of beneficiaries served:

Loan Number:	Loan Period:	Capital Amount (USD):	Number of Beneficiaries:
1	May 2008 – Nov 2008 <i>Totals:</i>	\$28	283
		<i>\$7,924 Invested</i>	<i>283 families</i>
2	Dec 2008 – May 2009 <i>Totals:</i>	\$50	285
		<i>\$14,250 Invested</i>	<i>285 families</i>
3	May 2009 – Nov 2009 <i>Totals:</i>	\$100	246
		\$50	93
		\$25	217
		<i>\$34,675 Invested</i>	<i>556 families</i>
4	Dec 2009 – May 2010 <i>Totals:</i>	\$125	225
		\$73	64
		\$37	194
		<i>\$39,975 Invested</i>	<i>483 families</i>
5	Jun 2010 – Dec 2010 <i>Totals:</i>	\$250	257
		\$157	80
		\$93	214
		<i>\$96,712 Invested</i>	<i>551 families</i>
Proposed 6 th Loan Cycle	Jan 2011 – Jun 2011 <i>Totals:</i>	\$310	Estimated: 257
		\$250	80
		\$150	214
		<i>\$131,770 Invested</i>	<i>551 families</i>

Located in a rural area, the microloan beneficiaries in Pignon engage in various businesses such as small scale trading, farming, and animal husbandry (percentages in each trade listed below):



320 (or 66%) of Pignon’s beneficiaries engage in trading. Of these, the majority (47%) sell food stuffs: everything from raw sugar cane, rice, beans, or flour to packaged cookies and candy or bottled soda pop. 12% of the beneficiaries sell household goods such as toilet paper, cookware, or gasoline. Selling prepaid cell phone time is also popular (10%) as this serves as the community’s main source of communication.

Lives Impacted

This microloan program offers long term economic hope to 551 families in the Pignon area. As each family has approximately 6 members, 3,306 individuals in the Pignon are benefitting from the loans. Additionally, 52 churches are represented amongst the beneficiaries who encourage spiritual growth in the lives of the beneficiaries.

Loan Repayment Update

The microloan program in Pignon is seeing great success; the four completed loan terms have all had 100% repayment! Beneficiaries hold each other accountable, using their “social capital” to serve as collateral. Loans are broken down into monthly repayments including the 2% interest per month (or 12% over the 6 month term). This interest is used to help cover the running costs of the microloan program.

From loan four, \$4220 was collected as interest. From loan five, with loans of \$250, \$157, or \$93, over \$11,600 is expected to be collected in interest (due December 2010).

Project Expense Update

The operating costs for this project are approximately \$860 a month. Approximately \$660 a month is for four Haitian staff salaries and \$200 for various other expenses such as advertising, taxes, office supplies, and vehicle costs.

The following chart lists the project expenses* compared to the interest earned over the previous and current loan terms:

<i>Interest Loan #4 (Dec 2009 – May 2010):</i>	<i>\$4,221.25</i>
<i>Approximate Operating Costs* of Loan #4:</i>	<i>\$ 3,559.69</i>
<i>Profit:</i>	<i>\$661.56</i>
<i>Interest Loan #5 (Jun 2010 – Dec 2010):</i>	<i>\$11,617.60</i>
<i>Approximate Operating Costs* of Loan #5:</i>	<i>\$4,781.65</i>
<i>Profit:</i>	<i>\$6,835.95</i>

*Does not include loan capital

Next Steps

Bright Hope is encouraged by the success of the microloan program in the Pignon area. While the ongoing operating costs of the program are sustainably covered by the loan's interest, additional capital is needed to complete the 6th and final loan cycle.

The local partner, CEPAM, would like to extend a final loan of \$310. Upon completion of this final loan, the beneficiary would graduate off the microloan program, allowing the loan capital to be recycled to another family in the Pignon area.

In order to fulfill this dream, \$51,161 is needed. A breakdown of this expense is listed below:



Proposed 6 th Loan Cycle			
Proposed Loan Size:	Additional Funding Requested (incl \$17/loan processing fee):	Number of Beneficiaries:	Amount Required:
\$310	\$77	257	\$19,789
\$250	\$117	80	\$9,360
\$150	\$67	214	\$14,338
Add'l Funding Requested:			\$43,487
Bright Hope Administration Fee:			\$7,674
Total:			\$51,161

Please consider joining in this exciting work in Pignon, Haiti. With your financial assistance, the dream of extending a 6th and final loan cycle, bringing hope to over 3,300 individuals, could become a reality.

