

NOTEWORTHY



Sustainable community development for the poorest of the poor.

Summer 2024

Just what is The NEO Fund?

Our Mission

The NEO Fund's mission is to help transform the lives of very low-income women and their families through micro-lending. Our program provides women with the opportunity to pursue entrepreneurial endeavors and generate family income which directly impacts quality of life for their children.

Why are we different?

Along with having the lowest interest rates in-country, we also allow our borrowers to choose the pay-back terms that work for them. **And, thanks to our donors, our loan program includes FREE business training and ongoing coaching and mentoring for every borrower!**

Scale of our Organization

We have provided over 3,300 loans and assembled highly skilled, business savvy, local in-country teams. Our capital pool is currently about \$83,000 and we have extended \$808,505 in loans as the fund cycles and loans are repaid. Our average loan size is \$267 and 96% of our borrowers are women.

The first level of impact achieved by our microfinance program affects the individual borrowers we serve. Improved quality of life for them and their families as well as development of their entrepreneurial skillsets builds their confidence and their businesses. **The second level of impact** is the economic multiplier effect in the neighborhoods we serve: **the businesses our borrowers create and the additional people they hire as their business grows lifts entire communities where we work!** **The third level of impact** is also our current goal: sustainability for our in-country organizations, where our loan portfolios generate enough income to fund local operational expenses. We are 39% there!

We are a fully licensed, properly registered microfinance institution that complies with all government regulations and



Clockwise from top left: Nora from Cristo Rey, Nicaragua, runs a small tienda (store) out of her home. Also from Nicaragua, Silvia sells linens in front of her home in Ciudad Sandino. Juvvadi sews clothing at her home in Pedapatnam, India. María weaves traditional Mayan textiles in her village of Cojuluyu, Comalapa, Guatemala.

reporting in the countries we serve. We have local, qualified staff, and we have developed and perfected the processes required to evaluate, train and coach our borrowers.

Our plan for sustainability

The funds provided to the NEO Fund by our donors and supporters are allocated to our loan portfolio. For example, our goal is to reach operational sustainability in Nicaragua in the next twelve months by investing \$100,000 in new loan capital (in addition to the current loan portfolio of \$83,000). As we put funds into loan capital, **the payments with interest (lowest in-country) go not only into new loans, but also help cover administrative costs like salaries and benefits paid to our local Nicaraguan, Guatemalan, and Indian employees.** This allows the monetary gifts and funding we receive to immediately go to work on the ground and continuously cycle through loan after loan. **New funding doesn't get spent just one time. It goes out into the field again and again.** ■ ■ ■

Guatemala Update

After a year of preparation, our program in Guatemala officially started this past February. And the growth has been phenomenal! We hired Glenda Ixen as our first loan officer. She has brought exceptional past experience with microfinance programs to our new program in the state of Chimaltenango.

In February, we started with six individual borrowers and USD\$4,500. Now, we have 6 solidarity groups (who borrow money as a group) and 16 individual borrowers with USD\$15,700 in circulation.

There is power through microlending in recycling the funds gifted to us. We now support 46 loans, and the fees recovered from those loans cover 16% of our operational costs in Guatemala. It's a remarkable start for only six months!



Glenda Ixen, our loan officer for Guatemala, holds up work done by one of our first borrowers in Cojoljulu, Comalapa, Chimaltenango.

Stories from the Mayan villages of Comalapa



Irma Esperanza, 36 years old, is a widow supporting her four children of 14, 11, 9 and 4 years old. To make ends meet, she weaves traditional fabrics and works as a domestic.

Until she learned about the NEO Fund, she was having a difficult time fulfilling all of her weaving and craft orders. With her

first loan of \$300, she purchased sewing supplies and an additional machine so her oldest child can help her.

She met Neo Fund through another borrower who belongs to the same child-feeding program. Glenda explained the process to her, describing the low-interest and flexible repayment terms. She had wanted to borrow money before from other lenders, but found the requirements too difficult to fulfill.

She is very happy NEO's ease of application and approval, and she hopes to continue to work with the Neo Fund to improve her quality of life and that of her family. She belongs to the LAS ESTRELLITAS Solidarity Group.

Vilma Floricelda is a 23-year-old single mom with two children ages 5 and 2. They live in Chuaqixiqui Comalapa.

She learned about the Neo Fund through a friend and NEO borrower. Both women had previously worked with another lender, but did not have a positive experience with them. She has borrowed \$300 to purchase weaving supplies as well as to hire additional labor so she can fulfill more orders.

Improving the quality of life for her children is her top priority. She and her two children currently share living quarters with her parents. Her plan for the future is to be able to build a small room for her and her children to have privacy as well as her parents.

She is very happy with the NEO Fund. She appreciates the caring attention of her loan officer, Glenda, as well as the generous terms of her loan. She wants to continue to work with NEO Fund as she grows her business.



Stories from Nica

Karina lives in Tipitapa, Managua in the Cristo Rey neighborhood and is a single mother of two children.

She met Neo Fund through the recommendation of her pastor and received a microcredit from Neo Fund in March for \$500 dollars. With this loan she bought sweets, eggs and several other products that helped her start her small business. Now Karina has an income of \$27 per day

Karina has many neighbors who buy from her business which is well-known throughout her neighborhood. She plans to take advantage of NEO Fund's free business training to continue growing her business — and her monthly income — to support her family.



Karina with her two children in the front room of her home where she operates her small grocery store.

The NEO Fund

"Empowering indigenous people to transform their own communities is the most effective weapon against global poverty." — Jen Hatmaker

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at Ron@theneofund.org or (503) 467-1324
Find us on Facebook at The NEO Fund.

Juana is a single mother of two children and lives in the Acahualinca neighborhood of Managua. Her brother, who was also a Neo Fund client, introduced her to the NEO Fund. She has just received her seventh microloan from us in the amount of \$800 dollars!

When Juana was 25 years old, she found herself alone with two small children and a sick mother. She began selling tortillas and cooked beans to support her family. For twelve years her business provided her children and her mother with food, health, schooling, and clothing until her mom died six years ago.

In 2011, her eldest son started a small business selling candy. This business later grew as a grocery store and in 2014 he gave it to Juana to take over.

Today, Juana still sells tortillas and cooked beans in addition to running their small grocery store. Neo Fund's microcredits have helped her grow her income to give her children a better education. She is grateful for the support she has received from Neo Fund through the most difficult moments of her life, and looks forward to continue working with us.





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Sustainable Community Development for the Poorest of the Poor

This summer we're having a fundraiser sure to appeal to everyone!

Some of our donors like to support infrastructure — the things that help our local operations keep running smoothly and efficiently. Others like to focus on humanitarian needs — like our emergency fund for a borrower facing untenable struggles. No matter where your heart lies, it's a no-brainer — your gift DOES make an impact!

Community Fund

GOAL: \$3,600

NEED: When COVID 19 hit, so did withdrawals from our community fund! In the ensuing months, unable to get more money in Nicaragua, our emergency funds were depleted. Now that we are back to full throttle, we need to replenish this account to help our borrowers face severe trials and even tragedy.

Please consider giving a one-time gift to help us restore this fund.

Software Fund

GOAL: \$3,600

NEED: Prepare our Nica team for the 21st Century! Under Nicaraguan law, microfinance orgs must use software to track all facets of the microlending process — which will also enable us to track the impact your gifts make.

Just 18 people committed to a new \$20 recurring monthly donation will help with the installation and monthly subscription of this vital technology.

Are you able and willing? Please visit our Needs page, and add your designation where indicated.

Visit theNEOfund.org/needs today to give a gift that keeps on giving!

Or mail your tax-deductible gift to The NEO Fund • 811 SW 6th Avenue • Suite 1000 • Portland, OR 97204