

# the Guarantors Digest

Privileged Information

September 2010

## President's Message

I am pleased to announce that [MicroCredit Enterprises](#) has added **three new Guarantors**, bringing our total Guarantor commitment to **\$48 million**. Our Guarantor-hosted dinner and cocktail parties have done a great job of getting Guarantors and potential Guarantors together to spread the word about MCE.

MCE has also increased its [microfinance partners](#) in the developing world, with MCE's Loan Committee approving **new loans to two Microfinance Institutions** (MFIs). By lending to these new partners, MCE gives more of the world's poorest women access to microloans.

We are planning a **study mission trip to Peru**, which takes place **April 3–10, 2011**, and is highlighted in more detail below. This trip is sure to be a great experience. I hope you will join us and bring potential Guarantors with you (no commitment required.)

We are implementing a number of exciting strategic initiatives approved by the Board at the last meeting. Two of these—lending in local currency and private placement notes for Guarantors—are highlighted below.

Warmest personal regards,  
*Gary Ford*

## Guarantor Spotlight



Each issue going forward, we will highlight an MCE Guarantor to learn about work he or she is involved in and how becoming a MicroCredit Guarantor has affected his or her life. This month, we're highlighting our newest Guarantor, **David Campbell**, Executive Director, All Hands Volunteers, Inc.

*Question: What work are you currently involved in?*

**David:** Right now, through [All Hands Volunteers](#), I'm working on a major two-year project in Haiti helping recovery from the earthquake that occurred in January 2010. All Hands Volunteers is a nonprofit organization that provides hands-on assistance to survivors of natural disasters around the world, with maximum impact and minimum bureaucracy.

*Question: Why did you become an MCE Guarantor?*

**David:** I believe in microfinance as an effective tool to help people. While All Hands gives me a great vehicle for direct involvement in helping communities, I felt that MicroCredit Enterprises was an additional way to provide more fuel to a proven effective vehicle.

### MFI Loan Portfolio Update

As of September 30, 2010, MicroCredit Enterprises' loan portfolio totaled **\$13.9 million**, consisting of **28 loans to 24 different MFIs in 15 countries on four continents**. In late August and early September, Microcredit Enterprises' Loan Committee approved new loans to **Arnur Credit in Kazakhstan and Credituyo in Mexico**. In addition, this month MCE disbursed a loan to Crezcamos in Colombia after applying for and receiving registration from the Central Bank of Colombia. The three MFIs in Kazakhstan, Mexico and Colombia all represent new partners and new countries for MCE's portfolio. MCE staff members are currently conducting due diligence on new loans in Armenia, Azerbaijan, Georgia, Peru and Sierra Leone.

Guarantors in the program as of February 28, 2010 will be receiving their Guarantor allocation for the **Normicro** partial default. Your payment should represent a tax-deductible contribution to MCE. *The fine print: consult your tax advisor.*

Management is pleased to report that MicroCredit Enterprises' **Watch List remains clear** of any MFI at this moment.

### New Strategic Initiatives

#### Lending in Local Currency

MCE's Board of Directors has approved an initiative that allows MCE increased access to currency hedging services provided by **MFX Solutions**, a Washington D.C.-based organization whose operations are backed by a \$20 million guarantee from the Overseas Private Investment Corporation. By investing in MFX Solutions, MCE's Board has enabled MCE to expand its lending in local currency, **which protects both our microfinance institution partners and MCE**. To date, MCE has disbursed three loans in local currency, including loans to Mexico, Kazakhstan and Colombia. Local currency loans in Kenya, Peru, and Indonesia are currently in MCE's pipeline.

#### Private Placement Notes

Guarantors will soon receive information in the mail about the **Private Placement Notes** for MCE Guarantors to purchase. These notes will provide Guarantors with the opportunity to invest in MCE on attractive terms.

### Finances

Our network has grown to **46 Guarantors** and **\$48 million in guarantees**.

## Events

***The MicroCredit Enterprises Study Mission to Peru***, from **April 3 to 10, 2011**, will include trips to Lima, the Sacred Valley, Machu Picchu and Cusco. Please hold these dates! Our delegation of current and potential Guarantors will meet many women who have brought food security to their families through the use of loans from three of our MFI partners in different parts of Peru. A detailed itinerary with information on rates will be circulated shortly. Please contact Sara Hall, MCE Guarantor Liaison, at [hall.sara@mac.com](mailto:hall.sara@mac.com) or 617.803.3384.



Jonathan C. Lewis, MCE Chair/Founder, represented MCE at the renowned ***Clinton Global Initiative*** to participate with 1,000 poverty activists, heads of state, foundation executives, corporate leaders and social investors in recognizing courageous social change leaders from around the world. MCE made a public Commitment to Action to double the number of Guarantors (to 100).

Jonathan C. Lewis will represent MicroCredit Enterprises at the ***Microfinance 2.0 West Coast conference*** in San Francisco, November 15–17. Nancy Swanson, Managing Director at Linked Foundation and MCE Guarantor, will also be participating at the conference and will lead a session titled, “Microfinance as a Platform for Health.” She will discuss the link between microfinance and health and highlight pilot projects that are seeking to demonstrate how MFIs can be leveraged to provide health on an economically sustainable basis.

***Guarantor-hosted dinner and cocktail parties*** have offered a unique opportunity to bring current Guarantors together, and to attract potential Guarantors and inform them about MCE’s innovative approach to reducing global poverty. Guarantors willing to host a dinner or cocktail party, please contact Sara Hall. Sara will help with the preparation and make the event easy for you. Below, please find recent and upcoming MCE events:

**Thursday, September 16**—Sunset dinner on the Charles River with Jonathan Lewis, Cambridge Boat Club, Cambridge, MA.

**Wednesday, October 6**—CEO Gary Ford will host a cocktail reception at his office in Washington, D.C.

**Saturday, October 16**—CEO Gary Ford will host a cocktail get-together for Guarantors and their families attending the upcoming Opportunity Collaboration conference in Ixtapa, Mexico. This event will be at 5:30 p.m. at the Miramar Patio. If you’re attending the conference, please mark your calendar and plan to join Gary and fellow Guarantors.

**Monday, October 25**—Guarantors Dan and Rhea Brunner will host a dinner party at their home in Sacramento, CA.

**Monday, November 8**—Guarantor Doug Ell will host a cocktail reception at his home in Hutchinson Island, FL.

## News

To read Jonathan Lewis’ recent blog posts, please visit [The Huffington Post](#) and [Social Edge](#) I on Poverty blog.

**Leadership  
Directory**

**Gary Ford**  
*President & Chief Executive Officer*  
202.861.6627  
gary.ford@mcenterprises.org

**Ayesha Wagle**  
*Senior Vice President*  
415.230.4330 ext. 101  
awagle@mcenterprises.org

**David Silberman**  
*General Counsel*  
301.943.1766  
david.silberman@yahoo.com

**Kyle Salyer**  
*Executive Vice President,  
Finance and Operations* 415.230.4330  
ext. 100 ksalyer@mcenterprises.org

**Tracie Hudgins**  
*Chief Administrative Officer*  
415.230.4330 ext. 103  
tracie.hudgins@mcenterprises.org