

From: "MicroCredit Enterprises" <tracie.hudgins@mcenterprises.org>  
Subject: **MCE Introduces New MFI Partnership in Africa**  
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"Nothing" Can Go A Long Way

## the Guarantors Digest

Privileged Information

January 2011

### President's Message

MicroCredit Enterprises is off to a great start in 2011. We made a new loan to **Yehu Microfinance Trust in Kenya**, an African Microfinance Institution, which was issued in January. See the "MFI Loan Portfolio Update" section below for more information on this exciting new partnership.

Earlier this month, we sent each of you information about **Private Placement Notes**. These notes will enable Guarantors to directly provide capital for microloans while receiving attractive terms on their investment. Please read below to learn more.

Additionally, the **Study Mission to Peru, April 3–10, 2011**, has sold out. We may be able to accommodate a few more current or prospective Guarantors, subject to hotel and airline availability. If you're interested, read below to secure a spot! The Guarantor Committee has put together an itinerary that will enable Guarantors to learn about the country and meet the women whose lives and families are being affected by MCE loans.

Finally, please join me in welcoming our newest Guarantors, Jonathan Rubini and David Hills & Catherine McLaughlin-Hills.

Warmest personal regards,  
**Gary Ford**

### Guarantor Spotlight



In each issue, we highlight an MCE Guarantor to learn about work that he or she is involved in and how becoming an MCE Guarantor has affected his or her life. This month, we're highlighting Maggie Kaplan, Founder and Executive Director, [Invoking the Pause](#).

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

**Maggie:** While I'm involved in a number of organizations, a major focus at the moment is an environmental small grants program called Invoking the Pause, which I created three years ago. At the heart of Invoking the Pause is the conviction that providing time and space for individuals to innovate is essential for systemic impact on climate change. This program fosters creativity and out-of-the-box thinking to create new, innovative and potentially scalable ideas to help individuals and communities internalize and understand the impacts of climate change in our lives, create mitigation and adaptation solutions, and launch new initiatives.

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

**Maggie:** To quote Mother Teresa, "In this life we cannot do great things. We can only do small things with great love." This quote illuminates my commitment to help create, in my own small way, a better world for all our relations on the planet. Becoming an MCE Guarantor is almost a no-brainer way to maximize impact with minimal effort and risk, and to provide economic opportunities for so many women and their families at the bottom of the pyramid.

I am happy to join any organization that Jonathan Lewis helps to found!

#### MFI Loan Portfolio Update

MicroCredit Enterprises' loan portfolio currently totals **\$13.9 million**, representing **29 loans to 28 different MFIs in 17 countries on four continents**.

MCE recently disbursed its first loan in **Kenya—a \$400,000** local currency loan to **Yehu Microfinance Trust**, an MFI that reaches poor rural women. The loan to Yehu is backed by a 70% guarantee from a third party. The guaranteed portion of the loan was funded from MCE's regular pool of funds backed by our Guarantors, and the remainder was funded from MCE's non-guaranteed pool of funds targeting **sub-Saharan Africa**. With this innovative structure, this loan not only opens up MCE's portfolio to a new country, but also has allowed MCE to make \$400,000 of funding available to over 2,000 Kenyan micro-entrepreneurs without exposing MCE's Guarantors to any additional risk.

MCE staff are currently conducting due diligence on new loans in **Cambodia, Tajikistan, and Ecuador**.

Management is pleased to report that Lazika Capital, which was placed on the Watch List after experiencing a limited case of fraud in November, has fully paid off its loan as scheduled. As a result, MicroCredit Enterprises' **Watch List remains clear** of any MFIs at this time.

#### New Strategic Initiatives

We recently mailed information about the **Private Placement Notes** for MCE Guarantors to purchase. This is an exclusive opportunity to further our goal of providing the world's poorest women with microloans. For a minimum investment of **\$250,000**, these notes not only are an attractive investment, but also enable Guarantors and major donors to directly provide capital for microloans to poor women around the world. The **two-year note will pay interest of 3.0%**, and the **three-year note will offer a rate of 3.5%** to investors. The first offering will close on **February 28, 2011**. If you're interested in receiving information, send an email to [notes@mcenterprises.org](mailto:notes@mcenterprises.org) with your name, address, and phone number.

Among the **new initiatives for 2011**, MCE will be working to develop another borrowing relationship with a major bank or foundation in order to obtain funds to meet growing demand from MFIs and to fully utilize our growing pool of Guarantors. If you maintain relationships with any banks or foundations that might be interested in offering a fully guaranteed loan to MCE, please contact Kyle Salyer, EVP Finance & Operations at [ksalyer@mcenterprises.org](mailto:ksalyer@mcenterprises.org) or 415.230.4330 ext. 100 to provide a referral.

#### Finances

Our network has grown to **49 Guarantors** and **\$51 million in guarantees**.

MCE has received two withdrawal notices in January, which will be effective July 2012.

#### Events

Gary Ford, CEO of MCE will attend the **Clinton Global Initiative winter meeting** on February 17, 2011. He will also be participating in the Action Network meeting titled, "Long-term Strategy: Investing in Girls and Women." These meetings provide opportunities for attendees to share best practices, explore partnerships, and coordinate action.

Ayesha Wagle, MCE's Senior Vice President, will be speaking at the **2011 Global Microfinance Investment Congress** on May 16 and 17, 2011, in New York City. Ayesha will be participating in a panel titled, "Addressing the Challenges and Opportunities of Future Investments within Emerging Markets."

**The MicroCredit Enterprises Study Mission to Peru, April 3–10, 2011**, is sold out, but can accommodate a few more current or prospective Guarantors subject to hotel and airline availability. MCE has 31 Guarantors, prospective Guarantors, and MCE staff members booked for the trip. The study mission includes visits to Lima, the Sacred Valley, Machu Picchu, and Cusco, and to three of our microfinance institution partners: FINCA Peru, Microfinanzas Prisma, and Arariwa. If interested, please contact Sara Hall, MCE Guarantor Liaison, at [sara.hall@mcenterprises.org](mailto:sara.hall@mcenterprises.org) or 617.803.3384.

**Guarantor-hosted dinner and cocktail parties** have offered unique opportunities 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, at [sara.hall@mcenterprises.org](mailto:sara.hall@mcenterprises.org) or 617.803.3384. Sara will help with the preparation and make the event easy for you.

**News**

To read Jonathan Lewis' recent blog posts, please visit [The Huffington Post](#) and [Social Edge](#) 1 on Poverty blog.

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