

# Extended Family International Business Plan

## 1. Executive Summary

- 1.1 Mission Statement**
- 1.2 Name**
- 1.3 Purpose**
- 1.4 Description of Services**
- 1.5 Funding Source**
- 1.6 Repayment Plan**
- 1.7 Family Selection**
- 1.8 Location**

## 2. Services Offered

- 2.1 Objectives for the Service**
- 2.2 Problems the Service Addresses**
- 2.3 Documented Needs for Service**
- 2.4 Other Organizations That Provide This Service**
- 2.5 Partner Families**
- 2.6 Number of People Affected by Service**
- 2.7 Location of the Clients**

## 3. Management & Organization

- 3.1 Board of Directors**
- 3.2 Location of Management and Staff**
- 3.3 Field Partners**
- 3.4 Staff Positions & Profiles**
- 3.5 Organizational Chart**

## 4. Marketing & Promotion Strategy

- 4.1 Advertising Plan**
- 4.2 Public Relations Plan**
- 4.3 Communication to Target Audience (Financial Lenders & Loan Borrowers)**

## 5. Finances

- 5.1 Start-Up Finances, Operational Costs**
- 5.2 Gifts-In-Kind, Grants**
- 5.3 Donations**

# **1. Executive Summary**

## **1.1 Mission Statement**

Extended Family International (EFI) is a nonprofit organization established with the following mission: “To improve the lives of families residing in substandard housing around the world by providing no-interest loans to those in need, enabling them to obtain adequate shelter.”

## **1.2 Name**

In an extended family, individuals serve as an expansion of the nuclear family. Our organization will link partner families (home owners) in need of adequate shelter, with support families (donors) who can help provide assistance and education, thereby making them a part of their extended family.

## **1.3 Purpose**

EFI will be the bridge between families around the world, linking people in need with others who can help meet those needs. This will be achieved by raising awareness of the housing needs worldwide, carefully selecting partner families, collecting the necessary funding for each project, and providing no-interest loans so the partner family can construct a home.

## **1.4 Description of Services**

This initiative provides no interest loans to qualified low-income families in need of housing. Our organization will raise funds and provide loans for people to renovate and repair their existing home, or to build a new one. Additionally, we will provide the homeowner with an energy efficient home plan specific to their region of the world along with knowledge and assistance on the building project.

Home owners will purchase materials and provide the construction labor. However, if the owner must hire others to help with the construction of their home, the labor fees may be included in the total sum of the loan. Partner families are required to keep all receipts/records for materials purchased, if supplies come from private individuals (such as family members), cash amounts must also be tracked by the sponsor family for recording purposes.

## **1.5 Funding Source**

Initial funding for each of the loans will come from donors, and this money will be lent to our partner families, allowing them to construct or repair their home. As a partner family repays their loan, the money will be redistributed in the form of a new loan to other partner families in need. With our donors’ ongoing support, we will continue to increase the number of partner families and amount of loans we are able to originate each year. Each loan may vary, but is required to fit within the following terms:

1. Repayment period: 1 -36 months

Based on the loan amount combined with the ability of the family to repay, according to their income

2. Loan amount: \$100 - \$5,000

This is dependent on the amount required by the family

3. Interest rate: %0

There will be no interest rate or origination fees attached to the loan

4. Loan Payment: 1/3 of total monthly gross income

Both the primary signer and co-signer must have the ability to pay back the loan at a rate of no greater than 1/3 of their total monthly gross income

### **1.6 Repayment Plan**

Homeowners will pay back the no-interest loan over a pre-determined period (see 1.5, term # 1), which will be established by EFI staff in agreement with each partner family. Loan terms will be based on the individual family's income, initial loan amount, financial stability of the co-signer, and any current outstanding debt. Whenever a family cannot make payments on their loan, the responsibility will fall upon the co-signer to keep the payments current. In the event that a family and co-signer both default on the loan, EFI will grant a deferment period which can be utilized by the family anytime on a monthly basis, for up to 6 months during the loan payoff period. Should a family be in default for a period of greater than 6 months, EFI will impose a penalty against the family of 5% of the existing outstanding balance, until the family brings the loan current.

### **1.7 Family Selection**

All partner families will be selected based on a needs assessment matrix, which our field partner will closely evaluate using the following criteria:

1. Number of members in the home (minimum 1 adult and 2 children)
2. Need for a new home/repair of current home
3. Ability to pay back the loan
4. Willingness to partner with the organization.

If there appears to be a great need for more adequate shelter, the family is then nominated for Board approval. Once the EFI Board has had the opportunity to discuss and vote upon the nomination, then a final decision will be rendered as to whether or not a loan will be provided to that family. If selected, the family will then sign a contract of agreement, thereby entering into the EFI program. Each family will be fully responsible to repay the total amount borrowed of the no-interest loan.

### **1.8 Location**

EFI will maintain an office in Pennsylvania where the majority of the fundraising will take place. The organization will start working with families in Northern Iraq [Kurdistan region], but will not be limited to this specific area. EFI retains the right to provide no-interest loans to families in any location throughout the world. In the event that we work in a sanctioned country, EFI plans to register and obtain the appropriate licenses with OFAC. Additionally, EFI may also partner with other organizations to find partner families who are in need of a housing loan.

## **2. Services Offered**

### **2.1 Objectives for The Service**

EFI seeks to improve the lives of families residing in substandard housing around the world by providing no-interest loans to those in need, enabling them to obtain adequate shelter. Our staff will also seek to provide education and assistance to the partner family throughout the construction process.

### **2.2 Problem the Service Addresses**

The services provided by EFI will address the housing needs in under-developed regions around the world. There are many families who are in need of shelter, but do not have sufficient resources available to obtain an adequate place to live. In many parts of the world loans are either unavailable to the public, or often have very high interest rates. Many families are also constrained by religious laws that prohibit them from taking out a loan where interest must be repaid.

### **2.3 Documented Needs for Service**

This problem became evident during several interviews throughout the Middle East, Central Asia, and South America. People in these regions stated the vast need for housing loans that are currently unavailable to them. Many of these families have a steady income and would be able to repay a loan over an extended period of time if it were available to them.

### **2.4 Other Organizations that Provide this Service**

There are various other organizations that provide no-interest loans around the world, but the demand continues to surpass the supply. In fact, very few provide specific no-interest housing loans, which seek to educate and assist throughout the building process. EFI will focus its efforts specifically in areas where no-interest loans are neither offered nor easily obtained.

### **2.5 Partner Families**

EFI seeks to aid as many families as possible through the services provided. We believe that change happens by helping one family at a time. Our team will work in under-developed countries where the housing needs are greatest.

### **2.6 Number of People Affected by Service**

EFI aims to help as many people as possible through the use of a funding base provided by our donors.

### **2.7 Location of the Clients**

Our partner families may be located in any country around the world. We will start our work in Iraq, but EFI plans to work in other under-developed countries around the world

## **3. Management & Organization**

### **3.1 Board of Directors**

The organization maintains a board that has seven directors, each responsible for specific duties within the organization, which are collectively known as the Board of Directors. Directors may be changed by amendment of the bylaws or by repeal and adoption of a new set of bylaws. The Board of Directors will serve indefinite terms. Additional members or any vacancies to be filled on the Board of Directors will be elected by a majority of the Board. The Board shall set policy, develop programs, supervise activities and approve budgets. They shall meet frequently, but with a minimum of four meetings per year (quarterly). Board members may be given additional responsibilities of running the day-to-day activities of the organization, which would be determined by the Board. Directors shall serve without compensation, however, each shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties as board members.

Management of EFI will be carried out by the Board of Directors. The Board will consist of the following positions:

1. Director
2. Assistant Director
3. Director of Records (Secretary)
4. Director of Finances (Treasurer)
5. Director of Operations (Manager)
6. Director of Public Relations
7. Director of Family Relations

### **3.2 Location of Management and Staff**

Our management team will work from the United States in Pennsylvania. We will have staff working around the world with our partner families.

### **3.3 Field Partners**

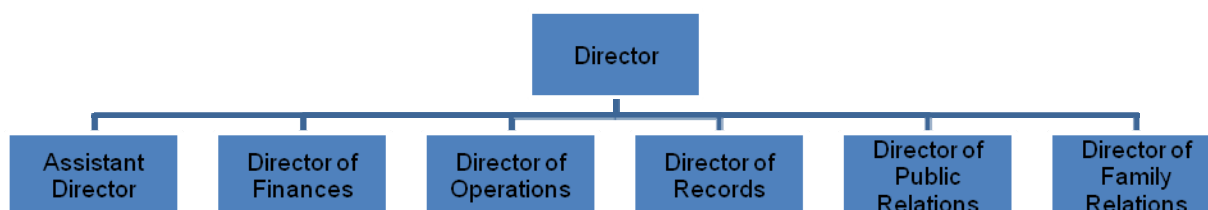
Each field partner will have a very unique and important role. They will be responsible for overseeing the construction process, including the ordering and delivery of all construction materials, while lending input and guidance along the way. All funds will also be distributed by the field partner to each family for supplies on an as needed basis.

Additionally, they will handle all correspondence, making sure all documents are accurately translated into English. All loans will be disbursed by cash and managed by the field partner. Our field partner will be responsible for cross checking each individual involved in EFI's program with OFAC's master SDN list while operating in Iraq.

### **3.4 Staff Positions & Profiles**

EFI may also hire supporting staff as needed to fulfill the required duties and tasks of the organization. The organization holds the right to hire temporary staff in addition to long term staff for specific projects. Our staff will be compensated according to the work that is accomplished. All staff personnel will be hired upon the Board majority approval.

### 3.5 Organizational Chart



## 4. Marketing & Promotion Strategy

### 4.1 Advertising Plan

The organization plans to advertise by utilizing various means of communication, including:

1. EFI website: [www.extendedfamilyinternational.org](http://www.extendedfamilyinternational.org),
2. EFI Facebook causes page: [www.causes.com/extendedfamilyinternational](http://www.causes.com/extendedfamilyinternational),
3. EFI Myspace page: <http://www.myspace.com/extendedfamilyhome>,
4. EFI Twitter: <http://twitter.com/extendedfamily>,
5. EFI general email account: [info@extendedfamilyinternational.org](mailto:info@extendedfamilyinternational.org),
6. EFI newsletters,
7. EFI Mailing List,
8. Donor updates,
9. Word of mouth,
10. Special events to promote the work of our organization,
11. Board members may hold personal meetings with individual donors and corporate sponsors.

### 4.2 Public Relations Plan

The Director of Public Relations will coordinate communication between the organization and the public. They will promote the work of EFI, raise awareness, and recruit others to help promote the organization. Additionally, the Director will be responsible for raising awareness in the communities where our potential partner families reside. This person may work with a field partner to provide information to our future partner families and select those in need of our loans.

### 4.3 Communication to Target Audience (Financial Lenders & Loan Borrowers)

Communication to the EFI target audience will take place in the following forms:

1. Face to face interaction
2. Electronic mail interaction
3. EFI website press releases
4. Telephone interaction

## **5. Finances**

### **5.1 Start-Up Finances, Operational Costs**

EFI will operate on the contributions of donors who support our work and vision. The money needed to start the organization will be raised from donors who contribute specifically to the initial costs of establishing the nonprofit. Donors will specify their contribution to an individual partner family in need of a loan or to EFI's overall operational expenses. Donors can financially contribute online by credit or debit card, through Paypal, by writing a personal check, or through cash donations. Additionally, EFI may have corporate sponsors who contribute to the business expenses of the organization. All contributions will be tax-deductible under section 501 (c) (3) of the Internal Revenue Code.

### **5.2 Gifts-in-Kind, Grants**

Donors will also be able to contribute gifts-in-kind as a tax-deductible contribution. The organization may apply for grants as available.

### **5.3 Donations**

1. Business expenses – corporate sponsors, individuals who support operations of the organization
2. Loan funding – donations will go towards family loans and operational expenses