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# KIVA.ORG

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## New York Times Article on Microfinance Interest Rates and Profits

Hi Kiva Community,

We're writing in response to the recent New York Times article, "Big Banks Draw Profits From Microloans to Poor" by Neil MacFarquhar. If you haven't read it, you can find it here: <http://www.nytimes.com/2010/04/14/world/14microfinance.html>

The article brings up valid concerns regarding microfinance institutions (MFIs) and the dangers of commercialization. We share these concerns, especially as a non-profit dedicated to helping alleviate poverty. That said, we noticed that the article may leave readers with an impression about Kiva's role that is not entirely accurate. As such, we understand that you may have questions, so we wanted to clarify any confusion around how Kiva works.

### **Q. When I lend money on Kiva, does the borrower pay interest?**

Yes. Kiva's local Field Partners (MFIs) charge interest rates and fees to the borrower in order to cover the cost of their operations.

### **Q. Does Kiva make money off of this interest that borrowers pay?**

CONTRIBUTORS

Mairead

Daniel Sack

Noah Balmer

Chloe Mark

Jacob Schultz, Kiva Fellows Program  
Manager

Cynthia McMurry

Patricia Wada

sforbes

Mac

Betsy

jk

Christine Ness

Julie Ross

Chelsa Bocci

Jonathan Bloom

Unknown

Beth Kuenstler

Anne-Marie Robles

Ben Elberger

Gerard Niemira

Matthew Flannery

JD Bergeron

Kimberly Friedland

Roma Jhaveri

Cissy DeLuca

Lindsey

Nicolas Lafaye

Devon Fisher

