



**USAID**  
FROM THE AMERICAN PEOPLE



**KICB**  
KYRGYZ INVESTMENT  
AND CREDIT BANK

## SUCCESS STORY

# YES! To Education Loans

**With USAID’s assistance, a 19-year-old student received access to university education**



*19-year old Ayman Arymbekova is a student of Management at the Academy of Tourism.*

The Development Credit Authority is a tool that USAID uses to provide partial credit guarantees on loans or bonds, thereby mitigating the risk to a lender. The use of guarantees enables private lenders to make financing available to credit worthy but underserved sectors such as the microfinance industry.

“The education loan has enabled me to pursue a university degree and took care of my concerns that there won’t be enough money to pay for the studies,” says 19-year-old Ayman Arymbekova, a student at the Academy of Tourism in Bishkek, where she is working towards a degree in tourism management. Arymbekova received this loan through the joint USAID and the Kyrgyz Investment and Credit Bank’s (KICB) Education Loan Program.

Arymbekova was one of the first students to receive an education loan from KICB through the Education Loan Program launched by USAID and KICB in May 2009. The program works with local financial institutions to provide more affordable loans to young people who want to study at higher education institutions and vocational schools throughout the country. The program also seeks to increase employment opportunities for the new graduates of vocational schools and higher education institutions.

“Education loans provide an opportunity for young people to receive a higher education,” says Arymbekova. “I have persuaded my parents to apply for the loan, so that they don’t have to worry about my tuition fees.” Arymbekova’s parents live in Manas Village in Chui Oblast. Like many other rural residents throughout the country, they would have found it difficult to cover the education costs. The education loan has enabled the family to ensure a successful future for their daughter.

The joint USAID-KICB program enables students and their families to receive loans for education at preferential rates to those offered for other types of loans. For example, the interest rate for a 20,000 Kyrgyz Som (approximately \$450) education loan at KICB is 5 percent lower than the rate for a business development loan of the same size. Compared to other loans offered by the Kyrgyz banking system, KICB’s education loans have 1.5 times lower interest rates. Additionally, education loans not exceeding 120,000 Kyrgyz Som (approximately \$2,700) do not require collateral.

“I call upon all young people in Kyrgyzstan to study well and to strive for the best!” says Arymbekova. She believes that a degree in tourism is one of the smartest choices in today’s Kyrgyzstan. Arymbekova looks forward to working in the tourism sector and reaping the results of her investment in education.