

Loans

Giving a loan is one of the Mustahab acts that has been highly emphasized in the Qur'an and Ahadith, and on the Day of Judgement, the one who had given a loan, will be highly rewarded.

The Divisions of Giving a Loan

1. *Duration Loan*: At the time of giving a loan, it is specified when the loan will be paid back.
2. *Non-Duration Loan*: The time when a loan will be paid back is not specified.

The Rules of Giving a Loan

Issue 406: If a loan is given and the time when it will be paid back is stated, then according to Ihtiyat Wajib, the person who had given the loan can not ask for the loan to be paid back until the time period expires.

Issue 407: If the loan is given without a specific period of time of when it will be paid back, then the person who had given the loan can ask for it back at any time.

Issue 408: If the person who gave the loan requests for the loan to be paid back, and if the person who had taken the loan is able to pay it back, then he must pay it back right away, and if he delays in its payment, then he has committed a sin.

Issue 409: If the person giving the loan makes a condition that after a period of time, for example after one year, he will take back more (than that which was given), or he will provide some service for him, then this is Riba (interest) and it is Haram. For example, if one gives \$150.00 as a loan and makes the condition that after one year; one will take back \$200.00 – this is Haram.

Issue 410: If the person giving the loan does not make the condition that he will take more back, but the person who had taken the loan himself gives more back, then this is no problem, rather, this is Mustahab.

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