

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 Judgment, the one who had given a loan, will receive a great reward from Allah (SWT).

The Divisions of Giving a Loan

Durational Loan: At the time of giving the loan, it had been specified when the loan will be paid back.

Non-Durational Loan: The time when the loan will be paid back is not specified.

The Rules of Giving a Loan

Issue 400: If the loan is given with a specific period of time stated, and the person giving the loan specifies when it will be paid back, or both parties come to an agreement then the person who gave the loan cannot request the loan back before the time period agreed upon.

Issue 401: If the loan is given without a specific period of time (when it will be paid back), then the person who had given the loan can ask for it back any time.

Issue 402: If the person who gave the loan requests for the loan to be paid back, then in the event that the person who had taken the loan is able to pay it back, he must pay it back right away, and if he delays in its payment, he has committed a sin.

Issue 403: If the person giving the loan makes a condition that after a period of time, for example after one year, he takes back more (than what was given), or he will provide some service for him, this is ribi' (Interest) and it is haram. For example, one gives

100000 tuman (approximately \$200.00USD) as a loan and makes the condition that after one year, one will take back 120000 tuman (approximately \$240.00USD).

Issue 404: If the person giving the loan does not make the condition that he will take more back, but the

person who had taken the low himself gives more back, this is no problem, and rather, this action is mustahab.

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