

Chapter – 28

Loans & Mortgaging

(قرض اور رہن)

Quran:

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ اللَّهُ أَجْرٌ كَرِيمٌ

{Who will lend a handsome loan to Allah so that He may double it for him? And for such is an honorable reward. (57:11)}

وَإِنْ كُشِّمْتُمْ عَلَى سَفَرٍ وَلَمْ تَجِدُوا كَاتِبًا فَرِهَانَ مَقْبُوضَةً

{And if you are on a journey and cannot find a scribe, then a mortgage must be handed over. (02:283)}

Hadith:

Narrated 'Aisha:

The Prophet bought some foodstuff from a Jew on credit for a limited period and mortgaged his armor for it. (Sahih Bukhari: 2229)

Narrated Abu Hurairah:

The Prophet said, "Whoever takes the money of the people with the intention of repaying it, Allah will repay it on his behalf, and whoever takes it in order to spoil (or not to return) it, then Allah will spoil him." (Sahih Bukhari: 2230)

Narrated Abu Hurairah:

A man demanded his debts from Allah's Prophet in such a rude manner that the companions of the Prophet intended to harm him. The Prophet said, "Leave him, no doubt, for he (the creditor) has the right to demand it (severely). Buy a camel and give it to him." The camel that was available was older than the camel he gave. The Prophet said, "Buy it and give it to him, as the best among you are those who repay their debts handsomely." (Sahih Bukhari: 2233)

Narrated 'Aisha:

Allah's Prophet used to invoke Allah in the prayer saying, "O Allah, I seek refuge with you from all sins, and from being in debt." When he was asked that very often you seek refuge with Allah from being in debt, why? He replied, "If a person is in debt, he tells lies when he speaks, and breaks his promises when he promises." (Sahih Bukhari: 2240)

Narrated Abu Hurairah:

Allah's Prophet said, "Delays in repaying debts by a wealthy person is injustice." (Sahih Bukhari: 2243and2244)

Narrated Abu Hurairah:

Whenever a dead man in debt was brought to Allah's Prophet he would ask, "Has he left anything to repay his debt?" If he was informed that he had left something to repay his debts, he would offer his funeral prayer, otherwise he would tell the Muslims to offer their friend's funeral prayer. ---- When Allah made the Prophet wealthy through conquests, he said, "I am more rightful than other believers to be the guardian of the believers, so if a Muslim dies while in debt, I am (State is) responsible for the repayment of his debt." (Sahih Bukhari: 2152)

Important Aspects of Islamic Doctrine

❖ ***Debts:***

1. The things which are given as debt should essentially be a figure, means that thing may be measured, weighed or counted.
2. It is not good to give on debt the valuable things like animal, house and land etc.
3. When the debt is being returned, things should be identical to the given things, not less no more.
4. When the debt is being returned, its cost does not matter. For example; Ten kilo wheat was given as debt and its market rate was Rupees 10 per kilo. But when it was being returned the market rate gone up and it was Rupees 11 per kilo. Price does not matter; ten kilo wheat has to be returned back.
5. Debt is given with this condition that it will be returned with some increase in it. It is Interest or Riba which is absolutely forbidden.

❖ ***Mortgage:***

1. If somebody wants to take loan of some money and as security he keeps a costly item with the moneylender till he returns the debt, such transaction is called mortgage.

2. Mortgage is executed through mutual agreements and also giving possession of the mortgaged item. For instance; a house is being mortgaged, its possession gives the final status to the transaction.
3. Common or combined item can be mortgaged.
4. On returning the debt by the pledger it becomes essential to return the mortgaged item.
5. If the debt has not been returned according to the agreement, then with mutual consent the mortgaged item can be sold and the money may be recovered. But the extra price must be retendered to the pledger.

