149092 - Should he claim bankruptcy so that interest charges will be waived from him?

the question

My husband and I owe money which contains interest. We were wondering if it is permissible to claim bankruptcy with the intention of paying it back to who we owe the money to. With the amount of debt we have most of our payments go towards it monthly, however it is not minimizing our debt it is only paying interest on it. And if we claim bankruptcy then the interest will stop and we can pay back what we owe. Is this an honest way of doing this or do we have to continue paying our monthly bills keeping in mind it is not decreasing because of this interest. We both sincerely regret ever taking these loans and hope to never deal with interest in the future inshallah. I hope my question is clear

Detailed answer

Praise be to Allah.

Dealing with riba is emphatically forbidden and is a major sin. The one who gets involved with any of that has to repent to Allah, resolve not to go back to riba and pay off what he owes of the capital, but he does not have to pay off the interest; he should try to get out of paying unless he is forced to do so and cannot find any way of avoiding it.

Some of the ways of avoiding paying interest are:

1.Hastening to pay it off. If hastening to pay off the debt will cause the interest to be waived, and he is able to do that, then he should do it so as to protect his wealth and cut off any connection to riba.

See the answer to question no. 13945

2.Some of the scholars say that it is permissible to delay paying the bank if it is known that the

bank will waive the interest charges after the delay. See the fatwa of Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) in the answer to question no. 7840.

With regard to declaring bankruptcy, we do not know the nature of that in your country or the consequences thereof for you and for your creditors. So you should ask scholars in your country about that.

There are shar‘i rulings concerning bankruptcy which we will sum up as follows:

1.A debtor may be deemed bankrupt if he has no wealth or he has wealth but it will not cover the debt that is currently due. With regard to debts that are not yet due, the one who owes them cannot be deemed bankrupt.

2.The bankrupt individual may have his assets frozen if his creditors or some of them request that, so that he will not harm them by that.

3.If his assets are frozen, then any transaction he does, whether buying or selling, establishing a waqf or giving a gift, is not valid.

4.The ruler or qaadi (judge) may sell his property in order to pay off his debts and leave him nothing except what is necessary for him, such as his dwelling, his books, his clothing, the tools of his trade, and the capital of his business; he may sell everything apart from that.

See: al-Mulakhkhas al-Fiqhi by Shaykh al-Fawzaan, 2/92; al-Sharh al-Mumti‘ by Shaykh Ibn ‘Uthaymeen, 9/268; al-Mawsoo‘ah al-Fiqhiyyah, 5/300

In some countries the state gives help to the person who has been deemed bankrupt. It is obvious that this help is not permissible for the one who is not really bankrupt, because that comes under the heading of consuming wealth unlawfully.

And Allah knows best.