9054 - Ruling on taking an interest-based loan for an urgent need

the question

What is the ruling on taking an interest-based loan from the bank for an urgent need such as continuing university studies, or buying a car for one who has a family, or buying a house for a family, knowing that the person who is taking the loan cannot find anyone to lend him money without interest?

Detailed answer

Praise be to Allah.

Firstly: ribaa (interest, usury) is haraam wherever it exists and whatever form it takes. It is haraam for both the owner of the capital and whoever borrows it from him with interest, whether the borrower is rich or poor. Both are guilty of sin and indeed both of them are cursed. Whoever helps them in that, the one who writes down the contract and the one who witnesses it are also cursed, because of the general meaning of the aayahs and sound ahaadeeth which indicate that it is haraam.

Allaah says (interpretation of the meaning):

“Those who eat Ribaa will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shaytaan (Satan) leading him to insanity. That is because they say: ‘Trading is only like Ribaa,’ whereas Allaah has permitted trading and forbidden Ribaa. So whosoever receives an admonition from his Lord and stops eating Ribaa, shall not be punished for the past; his case is for Allaah (to judge); but whoever returns (to Ribaa), such are the dwellers of the Fire — they will abide therein.

Allaah will destroy Ribaa and will give increase for Sadaqaat (deeds of charity, alms). And Allaah likes not the disbelievers, sinners” [al-Baqarah 2: 275-276]

‘Ubaadah ibn al-Saamit (may Allaah be pleased with him) narrated that the Prophet (peace and blessings of Allaah be upon him) said: “Gold is to be paid for by gold, silver by silver, barley by barley, dates by dates, like by like, payment being made hand to hand. He who made an addition to it, or asked for an addition, in fact dealt in usury [ribaa].” (Narrated by Muslim in his Saheeh).

It was narrated that Jaabir (may Allaah be pleased with him) said: “The Messenger of Allaah (peace and blessings of Allaah be upon him) cursed the one who consumes ribaa, the one who pays it, the one who writes it down and the two who witness it. He said they are all the same.” (Narrated by Muslim).

... Whoever is unable to work and is poor is allowed to ask for help, and to take zakaah and social security.

Secondly: The Muslim, whether he is rich or poor, is not allowed to take a loan from the bank at 5% or 15 % or more or less, because that is ribaa and is a major sin. Allaah has caused him to have no need of that because of the ways that He has prescribed such as means of earning a halaal income by working as an employee for company owners, or as a civil servant in permissible work, or by dealing with the money of another on a profit-sharing basis.