

148697 - Ruling on making an application for a loan from the property development fund for land that does not really belong to him

the question

There are property offices and some people submit applications to the property development fund for people who do not have land. They do this by paying a certain amount of money and delegating someone to buy and sell, then they applied to the fund in my name, then the land goes back to him. Is this permissible? Please note that I cannot buy any land.

Detailed answer

It is not permissible for a person to make an application to the property development fund for land that does not really belong to him, because that involves lying, deceit and consuming people's wealth unlawfully, regardless of whether he acquires the title deed for free or in return for payment. And no one should help in this haraam action, whether by lending the land or selling it to him in a fake transaction. The one who does that is a partner with him in sin. The senior scholars have issued fatwas stating that this is haraam.

Shaykh Ibn 'Uthaymeen (may Allah have mercy on him) was asked: I want to submit an application to the property development fund for land that I have borrowed from my brother, then I will give it back to him after that. Is this permissible or is it a trick?

He replied: It is not permissible for a person to put land in his name when it belongs to someone else, for the purpose of trickery aimed at taking money from the property development bank, because the person making the application will do so on the basis that this land belongs to him, but this is a lie, and whatever is acquired on the basis of a lie is haraam. What is better than that is asking his brother to sell the land to him for a deferred payment, even if he increases the price, then he can apply on that basis to the bank. In this case he will have entered the house through the proper door.

End quote from al-Liqa' al-Shahri, 1/15

A similar fatwa was issued by the scholars of the Standing Committee for Issuing Fatwas
(23/440)

And Allah knows best.