



Borrowing from a Real Estate Development Fund

Fatwa no. 13039

Q: I have an account in a real estate bank. Thereby, I am entitled to a state loan through this bank, but it will be a long period until I receive this loan. The state will exempt me from 20% of the loan, if I repay it on time. It will exempt me from 30%, if I deliver it in one payment after construction. I heard that Al-Bank Al-Ahly "The National Bank" will give the required loan which is (300,000 riyal), but the bank will pay the state and benefit from this remission by the state. Is it permissible for me to take this loan from Al-Bank Al-Ahly which equals (300,000 riyal) and pay it (300,000 riyals) , and when it is my turn to take the loan from the Real Estate Fund, Al-Bank Al-Ahly takes it instead and I will pay Al-Bank Al-Ahly every year (12,000 riyals). Al-Bank Al-Ahly will pay (9,600 riyals) to the Real Estate Bank and become

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the beneficiary of this loan and this remission? Please advise?

A: It is not permissible to take 300,000 from the bank in order to pay them 300,000 with the remission of the government because payment has a pre-conditioned extra that makes it usury. May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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