

381582 - Ruling on paying back a riba-based loan that was taken out by his father

the question

My father took out a loan with a bank guarantee certificate to pay off the balance owed by my brother for his apartment, but no one except me can pay off the monthly instalments on the loan. My father agreed with me that I should pay the instalment on the loan every month, in return for him giving me the amount mentioned in the certificate when the loan is paid off. I objected to the interest mentioned in the certificate, but he told me that I will take the original amount mentioned in the certificate, and I do not have anything to do with any extra amount or interest. Please note that the original amount mentioned in the certificate will be mine. Is there any sin on me at present, because I am paying off the loan?

Detailed answer

Firstly:

Taking out loans with interest from the bank is haram, because it comes under the heading of riba (usury), for which Allah has warned those who deal with it of war, and He has warned them of punishment for it, as He, may He be glorified, says (interpretation of the meaning):

{O you who have believed, fear Allah and give up what remains [due to you] of interest, if you should be believers.

And if you do not, then be informed of a war [against you] from Allah and His Messenger. But if you repent, you may have your principal – [thus] you do no wrong, nor are you wronged} [al-Baqarah 2:279-279].

Secondly:

The investment certificates that the banks issue in your country are also haram, and they are not free of riba, such as Group A and Group B certificates; or they are not free of both

riba and gambling, such as Group C certificates.

Please see also the answer to question no. [72413](#) .

What you must do is two things:

1. Repent to Allah, may He be exalted, from getting involved in haram certificates.
2. Get rid of the certificates, by taking the capital and giving the interest (riba) to charitable causes that serve the interests of the Muslims.

What your father must do is repent to Allah, may He be exalted, from taking out a riba-based loan.

Thirdly:

There is nothing wrong with you paying off your father's loan, because the principal of this riba-based loan has to be paid off. The same applies to the interest, if there is no way to avoid it. There is nothing wrong with helping your father to get rid of his debt.

But what is wrong in your case is keeping the riba-based certificate. If you are able to cancel it, you must do that, even if that leads to not paying off your father's debt, because you are not obliged to do that according to Islamic teachings.

But if you are not able to cancel it, because it was taken in pledge for the loan, then there is no blame on you, and you can carry on paying off your father's debt.

And Allah knows best.