



Fatwa no. 7074

Q: As Director of Education in the region of Al-Jawf, some employees submit requests for loans from the bank provided that they will be paid in monthly installments from their salaries.

As a reference for employees, we have to sign the two attached forms. One of them is a pledge directed to the bank that we will deduct the stated installment on a monthly basis. The second is a pledge that we will deduct the installment from the guarantor of the borrower who must be one of the employees of the administration. As we face pressing requests from employees wish to borrow and whom the guarantee of the administration is the basis for receiving the bankloans, we hope you will explain the responsibility and the role of administration; the director, the accountant, and the bursar in terms of Islamic law, especially as the bank takes interest from the borrowers. May Allah preserve you and reward you.

Irrevocable Contract

Best regards, at the request of Mr. dated 15 / 04 / 1404 A.H. whereby we were authorized to deduct

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3000 Riyals from the employee's salary on a monthly basis starting from the salary of the Second Rabi` until the fulfillment of all his obligations to you. Therefore, we pledge ourselves irrevocably to deduct the installments stated above and send them to you monthly to pay the loan which you have issued for the mentioned borrower for the amount of 30000 Riyals (Thirty thousand Riyals). In case the borrower moves from this administration to another, we are committed to notify you in writing of his new placement. This agreement is irrevocable until we receive notification terminating the contract from your side.

Education Administration in Al-Jawf.

The official stamp

Bursar

Signature of the administrative director

Accountant's signature

A: If the case is as you mentioned wherein the bank takes interest on loans, the director, the

accountant, and the bursar are not permitted to cooperate with them because of Allah's statement:﴿ but do not help one another in sin and transgression. ﴾The Prophet (peace be upon him) is also authentically reported to have stated:﴿ Allah has cursed the devourer (taker) of Riba (usury/interest), its payer, its two witnesses, and its scribe and he said: They are equal (in sin). ﴾

May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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