

Avissar Family Ribbis Initiative

Reuven allows Shimon to make a purchase on his credit card. Shimon will pay the issuing bank directly, including the interest charged by the bank, several months hence. Both men reckon that there is no ribbis problem, because the bank isn't owned by Jews. But Halacha views this case differently.

The bank has never heard of Shimon; the responsible party on the account is Reuven. When

Shimon uses the card for his purchase, the bank is lending the money to Reuven, who, in turn, lends it to Shimon. The interest Shimon has undertaken to pay the bank is, in fact, interest on his loan from Reuven. By paying Reuven's interest debt to the bank, Shimon is actually paying interest to Reuven on his own loan. A heter iska must be implemented.

Reuven and Shimon are partners in a new venture. The partnership is not creditworthy, so to fund it, they agree that Reuven will take out a personal loan, and in the event that the business cannot pay, Shimon will pay half the debt.

Here, too, the bank is lending to Reuven and Reuven is then lending to Shimon. A heter iska will solve the problem.