

## Duties of Debtors

1. A person should avoid indebtedness because debt is a great burden and responsibility. Debt destroys peace of mind and in case of non-payment it destroys one's prospects of salvation in the Hereafter. One must try to refrain from incurring debt and should always pray: "Allah ! I seek refuge to thee from overwhelming debt and oppression of men". The Prophet himself used to pray like that so often.
2. Debt should be incurred only when it is unavoidable. It may be incurred to satisfy basic needs or to discharge an essential responsibility such as marriage or education of children, medical treatment of a member of family or building a house. In no case debts should be contracted for unlawful purposes or for luxurious living.
3. Debt should be taken with a clear intention to pay it back. If one takes loan intending to repay it, God gives him means to do so, but if he takes it with the intention to destroy it, God will destroy him on its account.
4. If a creditor demands for some security in shape of property or asset, the debtor is bound to provide him the same. In case the creditor asks for some surety or guarantee of a third person, the debtor should provide such surety or guarantee. However, the debtor is duty-bound to honour his promise of repayment of loan and in no case he should place the dignity of his surety at stake.
5. Debtor should pay back the debt promptly on the promised date or earlier. In any case debt should be discharged even if he has to sell all his property and he is left with nothing. Repayment of loan is so much stressed in Islam that the debtor has been given permission to beg for alms or seek Zakat in order to discharge his burden.
6. If the debtor does not honour his pledge and does not make the payment of loan despite persistent demand of the creditor, the creditor has the right to use harsh words and sue him in a court. Confinement of the debtor in a prison or auction of his properties is lawful for satisfying his debt.
7. Non-payment of debt is a great sin. If a man is killed in the way of Allah many times but dies without paying his debt, he shall not enter paradise till his debt is satisfied. All the sins of a martyr are forgiven except his debt. Therefore, the debtor is duty-bound to clear his debts before his death. Otherwise his legal heirs should clear his debts.
8. Contract of loan should be reduced in writing in the presence of two witnesses. The debtor has the right to give dictation to the scribe when the contract of loan

is being written. He should, however, give dictation according to the terms settled and should not diminish anything.

## **Duties of the Creditors**

1. A Muslim who advances loan should know that interest is forbidden in Islam. So he should help his brother in need with a gratuitous loan (Qard-e-Hasan). He should not charge any interest, neither he should expect any gift or any other unusual favour from his debtor. Acceptance of present or even riding upon the beast of debtor amounts to 'Riba' (interest) according to a tradition. Qard-e-Hasan (loan without interest) in itself is an act of great virtue and Allah rewards the lender out of His infinite bounty who helps Allah's creatures. A well-to-do Muslim, therefore, should not hesitate to give Qard-e-Hasanah to another needy Muslim.
2. Loan should be advanced to a genuinely needy person who requires the loan for his genuine needs and not for the purpose of luxuries or extravagant expenses on marriages and festivities or for unlawful activities like drinking and gambling. If a non-genuine person requests for loan, you have every right to turn down such request because you have no social responsibility under Islamic Shariah to help those who indulge in extravagance and illegal activities.
3. When a creditor lends money to someone, he should make a contract in writing with the debtor settling terms and conditions of loan and the time for its return. Such contract or document should be executed in the presence of two witnesses. According to a Hadith of the Holy Prophet, a person who lends money without any document or evidence is not helped by Allah when he cries for such help in case of non-recovery of loan.
4. The creditor should be generous enough in extending the time of repayment of loan if the debtor is in straitened circumstance and is unable to meet his demand. Giving respite to a debtor or postponing recovery of loan till the debtor is in easy circumstances is an act of great virtue which gets reward of charity from Allah every day till the date of final recovery.
5. If the debtor has become insolvent and is not in a position to pay back the loan, the creditor is enjoined upon to remit the debt. Remission of loan amounts to almsgiving and is an act of great virtue which carries many rewards. According to Prophet Muhammad (PBUH), whoso gives respite to a debtor or grants him remission, Allah will protect him from the calamities of the Resurrection Day and will give him shade under His shade. According to another Hadith, a man was

given pardon by Allah as he used to say to his son : “When you come to a needy person, grant him remission so that Allah may remit us of our sins.”

6. If the debtor is not able to make full payment, the creditor shall accept partial payment and remit the balance or accept payment in installments. In case debtor's property is sold and the sale proceeds thereof are not able to fully satisfy the claim of the creditor, the creditor should content himself with the sale-proceeds and remit the remaining debt.
7. Although a creditor is allowed to use harsh words in case of a solvent debtor who does not repay the loan despite persistent demand, but still he is instructed not to lose his cool. He should kindly treat his debtor and should not injure dignity of the debtor by indecent course of recovery. Allah enjoins justice and kindness in mutual dealings.

If the debtor has surrendered some property or asset as security to the creditor, the creditor is not entitled to take any undue profit or benefit out of that because, according to jurists, it would amount to usury. However, he can ride the animal or get its milk if it is in pledge and he maintains it on his own expense.

