3685 - He took a loan with riba before becoming Muslim – how should he pay it off now?

the question

If one has a student loan with riba that was taken before accepting Islam, is he/she obligated to repay this loan since riba is involved?
JazakAllahu khairan.

Detailed answer

Praise be to Allah.

We put this question to Shaykh Muhammad ibn Saalih al-'Uthaymeen, may Allaah preserve him, who answered as follows:

It was reported that the Prophet (peace and blessings of Allaah be upon him) addressed the people on the day of 'Arafaah, and said: "The riba of the Jaahiliyyah is cancelled." This was in spite of the fact that these contracts had been made during the time of Jaahiliyyah and before the ruling on riba was established. If it is possible for him not to pay the interest on the loan, then he should not pay it, but he should not make a gain twice. The Muslim judge or leader should take the amount he was supposed to pay in riba and give it in charity or put it in the bayl al-maal (Islamic treasury).

Question:

You said, "he should not make a gain twice." What does this mean?

Answer:

The first gain was when he benefitted from the money that he took from the bank, for example. The second gain is the interest which, if he does not pay it to the bank, he will have made a second gain… But still, he should not pay it to the one who loaned him the money on the basis of

interest. For example, if he borrowed a million and owes interest of one hundred thousand, do we say pay back the million and keep the hundred thousand? No, we say pay back the million but do not give the hundred thousand to the usurer, and do not keep it for yourself as a profit or gain… Put it in the bayt al-maal or give it in charity. And Allaah knows best.