218894 - He took a student loan and did not know that it is haram

the question

My son is a student in the second year of university. He took out a student loan, but I did not know that this loan is haram until recently. In order to pay off this loan, my son has to get a job with an annual income of more than 21,000 pounds, otherwise he does not have to repay the money. My question is: what will happen if my son is not able to get a job that will guarantee him an income that will fulfil the condition making it obligatory to repay the loan? I hope that you can answer as quickly as possible. I hope that my son will obtain a university degree that will enable him to get a job as a teacher in a Muslim country.

Detailed answer

Praise be to Allah.

What appears to be the case from your question is that this loan was a riba-based loan.

If a Muslim takes out a riba-based loan, not knowing of the prohibition on doing so, there is no sin on him regarding what has passed of that. But after finding out about the prohibition, he must put an end to any riba-based transactions that he is currently engaged in, in whatever way he can, and he must refrain from entering into any new transactions on that basis. He must also resolve not to do that again in the future.

Allah, may He be exalted, has declared the Muslim to be free of sin if he commits a sin by way of error or because he was unaware of the ruling on it. Allah, may He be exalted, says (interpretation of the meaning):

“And there is no sin on you if you make a mistake therein, except in regard to what your hearts deliberately intend. And Allah is Ever Oft-Forgiving, Most Merciful”

[al-Ahzaab 33:5].

And Allah, may He be exalted, says concerning those who consumed riba before it was prohibited (interpretation of the meaning):

“So whosoever receives an admonition from his Lord and stops consuming Riba (usury) shall not be punished for the past”

[al-Baqarah 2:275].

As-Sa‘di (may Allah have mercy on him) said in his Tafseer (p. 959):

Everyone who repents from riba, if that has to do with transactions done in the past, may keep what he previously acquired, but it remains to be seen (that is, in the future – will he refrain from riba or go back to it?). But if the transactions are currently in effect, he must only take back his capital; if he takes anything more than that, then he has transgressed and engaged in riba. End quote.

In other words, whoever consumed riba before it was prohibited, there is no blame on him for what happened in the past. The same applies to the one who deals in riba when he is not aware of the prohibition on it.

This has been explained previously in the answers to questions no. 2492 and 106610.

Based on that:

If your son finds work that will give him the income required in order to pay off the loan, then he must pay it off. If it is possible for him to pay off the capital only, and have the interest waived, that is better for him, and the body that gave the loan does not have the right to take from him more than the original capital.

If he cannot pay it off except with the interest, then there is no sin on him for paying it, so long as he took the loan before he was aware of the prohibition.

But if your son cannot find work that will enable him to pay off the loan, according to the conditions stipulated by the body that gave the loan, then there is no blame on him for that, and Allah does not burden any soul with more than it can bear. And there is no blame on him if he waits until Allah, may He be exalted, grants him some provision, at which time there is no blame on him if he waits until he finds work that will give him the salary mentioned, so that he will be able to pay off the riba-based loan and rid himself of it, or the lender waives it for him altogether.

The lending body only stipulated that condition so as to make it easier for the students who took the loan; it was fully aware that some of them or most of them would never have the opportunity mentioned, so it stipulated that condition, promising to waive the debt if a borrower is unable to pay it off in the manner stipulated.

For more information, please see the answer to question no. 9700.

And Allah knows best.