249369 - Is It Permissible to Take Riba-Based Student Loans in Islam?

the question

I have a question regarding interest. Firstly I would like to make it known that all my family is Muslim and we currently reside in Western Europe. I am currently a first year University student , in my country there is something called the Maintenance loan , which is a loan that can be taken not for the sake of the tuition fees of the university but to support a student in general while studying. This loan is entirely based on interest and it can be very desirable as it has very low interest rates and must also not be paid back till one finds themselves in a stable job hence maybe 10+years. I myself glory be to Allah that I have no need to take this loan as I am financially stable and have grants from the university itself. However my father has told me that I should take the full amount of this loan as it has very low interest rates. I have told him I do not need this money however he wants it for his personal gain and business endeavours. I know the great risk of interest and that it is very harmful. My question is what should I do in this scenario, would sin fall onto me?

Summary of answer

It is not permissible for you to take this Riba-based student loan, no matter how low the interest rate, because Allah has forbidden contracts that involve Riba, whether the Riba is great or small.

Detailed answer

Praise be to Allah.

Are Riba-based student loans allowed?

It is not permissible for you to take this Riba-based student loan, no matter how low the interest rate, because Allah has forbidden contracts that involve Riba, whether the Riba is great or small, even if it is only one dirham, and He has warned the one who consumes it and the one who pays it

of punishment, wrath and curses. So beware lest you be one of them.

Allah Says (interpretation of the meaning):

{Those who eat Riba (usury) will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shaitan (Satan) leading him to insanity. That is because they say: "Trading is only like Riba (usury)," whereas Allah has permitted trading and forbidden Riba (usury). So whosoever receives an admonition from his Lord and stops eating Riba (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to Riba (usury)], such are the dwellers of the Fire - they will abide therein.

Allah will destroy Riba (usury) and will give increase for Sadaqat (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners.

Truly those who believe, and do deeds of righteousness, and perform As-Salat (Iqamat-as-Salat), and give Zakat, they will have their reward with their Lord. On them shall be no fear, nor shall they grieve.

O you who believe! Fear Allah and give up what remains (due to you) from Riba (usury) (from now onward), if you are (really) believers.

And if you do not do it, then take a notice of war from Allah and His Messenger but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums).

And if the debtor is in a hard time (has no money), then grant him time till it is easy for him to repay, but if you remit it by way of charity, that is better for you if you did but know.

And fear the Day when you shall be brought back to Allah. Then every person shall be paid what he earned, and they shall not be dealt with unjustly.} [Al-Baqarah 2:275-281]

The Prophet of Allah (blessings and peace of Allah be upon him) cursed the one who consumes Riba and the one who pays it. (Narrated by Al-Bukhari, 5962)

Balancing parental obedience with Islamic obligations

It is not permissible for you to obey your father in that, because the rights of Allah and obedience to Him take precedence over the rights of the father and obedience to him. The Prophet (blessings and peace of Allah be upon him) said: “There is no obedience if it involves disobedience towards Allah; obedience is only in that which is right and proper.” (Narrated by Muslim, 1840)

For more details, please see the following answers: 218894, 136378, 60185, 9700.

And Allah knows best.