

Subsidised participative building

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allaah, the Most Merciful, the Bestower of Mercy

Question: What is the ruling regarding participative buildings?

Shaykh Aboo `Abd-al-Mu`iz `Alee Farkous al-Qoobee (May Allaah the Most High preserve him): All praise is due to Allaah, the Lord of the Worlds. Peace and blessing be upon whom Allaah sent as a mercy to the Worlds, upon his Family, his Companions and his Brothers till the Day of Resurrection.

Participative building or aided building is an aid given by the government to people of middle income, in order to build or buy a house which is difficult to get. This subsidy is granted under some conditions that the beneficiary should fulfil. Therefore, this form is a gift which is submitted to the conditions established by the donor (the state in this case), and no one should benefit from it only those who meet the conditions made by the latter.

However, the subsidy could be a loan that the bank gives to the beneficiary and in which the interests are paid by the state. In this case, it is forbidden to deal in such a transaction, as it comprises usury which is forbidden according to texts of the Sharee'ah. In fact, this loan is usurious at the origin, regardless the person who pays it, whether it is the beneficiary or other persons. In fact, there are many reported texts warning against the punishment that will affect those who perform such transactions.

The perfect knowledge belongs to Allaah (*Mighty and Majestic is He*). Our last prayer is all praise is due to Allaah, the Lord of the Worlds. Peace and blessing be upon our Prophet, his Family, his Companions and Brothers till the Day of Resurrection.

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