

A Matter of Interest: The Laws of Ribbis

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WHAT IS RIBBIS?

The Torah prohibits borrowers and lenders from entering into a loan transaction with a fellow Jew that includes an interest obligation (Vayikra 25:35-36, Devarim 23:20, Shemos 22:24). Even if the loan was already illicitly made, it is further prohibited to follow through and actually pay or receive *ribbis*. In many cases, even if such payment was made, it must be returned to the borrower.

10 Forms of Ribbis

There are various types of *ribbis*. It is important to be able to identify exactly which form of *ribbis* is involved in each specific transaction, as the laws – as well as the recourse – may vary accordingly.

The various forms of *ribbis* include:

- *ribbis ketzutza* fixed interest; forbidden *mid'Ooraisa*
- *ribbis she'aina ketzutza* unstipulated *ribbis*; forbidden *mid'Rabbanan*
- *tzad echad b'ribbis* one-sided *ribbis*; cases where the existence of *ribbis* is subject to a specific occurrence
- *ribbis mukdemes* paid in advance of a loan
- *ribbis m'ucheres* paid after the loan was made, but not required under its terms
- *avak ribbis* “dust” of *ribbis*; cases prohibited *mid'Rabbanan*
- *ribbis devarim* a verbal gift like effusive thanks, a blessing, or an honor
- *ribbis derech mekach umemkar* *ribbis* derived from a sale
- *ha'ramas ribbis* *ribbis* by trickery
- *mechzei k'ribbis* acts forbidden because they appear to be *ribbis*, though they aren't