

Do Loans Have a Statute of Limitations?

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Case: Reuven borrows money from Shimon and Shimon soon forgets about the loan and doesn't ask for any payment for many years. One day, he remembers the debt and wants his money back.

Question: Can he still collect his money or is there a statute of limitations in halacha?

Answer: This is an area where halacha diverges dramatically from secular law.

In secular law, statutes of limitations apply in certain situations, which annul a loan if the lender doesn't try to collect it before a specific amount of time. Nothing like this is found in halacha. According to halacha, even if a lender doesn't attempt to collect his money for decades, the loan is not cancelled.

The closest thing to a statute of limitations found in the Torah is where it is stated that the *shemittah* year eliminates all debts from loans. This halacha is, however, of limited practical ramification today for a few reasons.

1. First of all, the *Minhag Ashkenaz* is to follow the opinion of the Poskim who say that *shemittas kesafim* does not apply in contemporary times.
2. Secondly, the widespread *minhag* is for everyone to write a *pruzbul*, which is a very simple document to fill out that allows for debts to be collected even after a *shemittah* year.
3. Additionally, one can easily make any debt conditional on it not being cancelled by *shemittah*.

There is a rule in halacha of *dina d'malchusa dina* (the law of the land is binding) and another rule of *minhag hamakom* (the prevalent local custom is recognized as binding). There is a discussion regarding whether these rules can be used to enforce statutes of limitations, but halacha itself has no inherent notion of statutes of limitations.