

## Is it Forbidden to Lend with Ribbis to a Corporation?

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**Case:** Reuven was granting a loan with interest to a large limited liability company. He noticed that the CEO's name sounds Jewish and was concerned that this might create a prohibition of lending money to this corporation with interest.

**Question:** Is this indeed a problem?

**Answer:** Rav Moshe Feinstein writes that it is permitted to lend money to an LLC with *ribbis*. He says that there is no *ribbis* problem in such a case because a "loan" requires that the recipient has a personal responsibility to repay the loan. Here, there is no person taking personal responsibility for the money.

The Minchas Yitzchok writes that this *teshuva* of Rav Moshe is very hard to understand, though, for there are numerous Gemaras that seem to say that *ribbis* does apply even when there is no individual personally guaranteeing and taking responsibility for the payment. One such example is a Gemara in Megillah that states that it is forbidden to sell a shul with *ribbis*, even though there is no single individual who owns or takes responsibility for the shul.

Because of this problem, most Dayanim will only use Rav Moshe's *heter* when another reason for leniency also is in play.

The Maharshag brings proofs that even if lending to a limited liability corporation is forbidden, it would only be forbidden *m'derabanan*.

Accordingly, there is room for more leniency.

After all this, we can say that if the CEO of the corporation is a non-religious Jew we can rely on the many Poskim who rule that it is permitted to lend with *ribbis* to today's irreligious Jews.