

Is it Permitted to Have Ribbis Paid to a Third Party?

Rav Yosef Dovid Josilowsky, Dayan at the Bais HaVaad

Case: My friend is about to make a business deal and is short \$50,000. He asked me to lend him the money for a few weeks and said he is willing to give back \$5,000 extra. I'm not interested in relying on a *heter iska*, so I told him to just give the \$5,000 to *tzedakah*.

Question: Is this permitted?

Answer: This is an example of someone getting into bigger halachic issues because he doesn't want to rely on a *heter iska*.

The general halacha is that *ribbis* is only forbidden if it is given from the lender to the borrower, and not if it is given to a third party. If, however, the lender tells the borrower to give the money to the third party, it is indeed forbidden.

For the most part, it would be preferable to use a *heter iska* than to make an arrangement like this.