

Lending with a Heter Iska

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Question: Many people use *heter iskas* when giving loans. Essentially, a *heter iska* restructures a loan as a business investment so that the lender is permitted to take interest and make a profit.

Does someone still fulfill the mitzvah of lending money if he gives the loan with a *heter iska*?

Answer: There are potentially two reasons one would not get a mitzvah of "*im kesef talveh*" when a *heter iska* is used.

1. First of all, the loan is no longer really a loan, and is now considered an investment.
2. Secondly, the lender is now making a profit from the deal, and his motives are not entirely altruistic.

Some *Poskim*, including the *Chofetz Chaim* and *Pischei Choshen*, assume that one only receives the mitzvah of "*im kesef talveh*" if he makes no profit off of the loan, and therefore he does not get the mitzvah in the case of a *heter iska*. The *Chofetz Chaim* adds that even if the lender does not get this mitzvah, he has fulfilled another mitzvah known as "*vihechzakta bo*", which is a more general commandment to support one's fellow Jew in any way. The *Peleh Yoetz* seems to assume that one does fulfill the mitzvah of "*im kesef talveh*" even when lending with a *heter iska*. This can be inferred from the language he uses when discussing the *halacha* that a poor person takes precedence over a rich person when receiving a loan. He questions whether the poor borrower must be given precedence even if the rich person is willing to make a *heter iska* and provide some profit to the lender? He concludes that in this case, the lender is not obligated to lend to the poor person over the rich person, but he is still inclined to say that it is a greater mitzvah to give the loan to the poor man. From his statement that it is a "greater mitzvah" to give the loan to the poor man, it seems as if it is also a mitzvah of "*im kesef talveh*" to lend to someone with a *heter iska*, albeit possibly a smaller mitzvah than lending without one.