

RIBBIS: MATTERS OF INTEREST

Corporations

Being that the *issur ribbis* is only applicable *bein Yehudi leYehudi*, dealing with large banks or public corporations is usually not a ribbis problem. However, if a Jew is guaranteeing the loan, in many instances halachah views his obligation as if the guarantor himself is the lender and would therefore be prohibited.

There are a surprising number of halachos that depend on a company's status. One example is *chametz*. Only *chametz* owned by a Jew becomes *chametz she'avar alav haPesach*. If a company with Jewish shareholders is considered Jewish, any *chametz* that it owns over Pesach is forbidden to eat. Ribbis is another common example. If a bank is considered Jewish, every deposit or mortgage with the bank would have a ribbis issue.

Another concern is how shareholders are affected. May one purchase shares in a food chain store knowing that it will own *chametz* on Pesach? For that matter, many companies run cafeterias that serve *chametz*. Is it permitted to own their shares? May one be a shareholder of a corporation that operates on Shabbos?

Logically, a company that has Jewish partners should be considered at least partially Jewish. Virtually every public bank has some Jewish shareholders, and yet it is customary to use credit cards, take out mortgages and make deposits with these banks. How do we justify this practice?

This is not a new issue. There are responsa dating back to the mid 1800's in which the *poskim* discuss whether banks may be used. The *Kitzur Shulchan Aruch* (65:28) forbids Jews from either investing with or borrowing money from *shpar kessa*, a primitive form of banks. Given that there may be Jewish investors, a portion of the money that one borrows from such an institution is considered a loan between two Jews. Investing money in these banks is also prohibited since a Jewish client may borrow that money.

The Shoel U'Meishiv (Vol. 1, 3:31) argued that these banks may be used. He wrote to Rav Gantzfried requesting that he change his ruling in future printings of his *Kitzur*. Apparently, Rav Gantzfried declined to do so.

It is beyond the scope of this introduction to present a detailed analysis of all the responsa that discuss this issue. In practice, contemporary *poskim* permit borrowing from banks when the majority of stockholders are non-Jews, unless the Jewish stockholders have a controlling share.