

## What Are Some Practical Applications of Pesika?

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**Question:** In the previous segment, we discussed the prohibition of prepayments, or *pesika*. What are some other practical applications of this prohibition?

**Answer:** It is common for magazines and newspapers to sell yearly subscriptions in which the customer buys a year's worth of papers in advance, prepays at a locked-in rate, and possibly receives a discount. Of course, the 52 weeks of weekly papers the subscriber is purchasing are not yet available on the market, as they haven't been written yet. This would seemingly be a problem of *pesika*. A way around this problem would be for the publication to take the subscriber's credit card number but only charge him every week after the paper is available on the market, or to use a *heter iska* arrangement.

Another application would be if a builder is selling houses that have not been built yet. If the purchasers are buying "on paper," and no homes are actually built yet, prepaying for a locked-in price would present a problem of *pesika*.

If one only pays a typical down payment, it would not be a problem, as a down payment is simply a form of commitment on behalf of the buyer and not an actual prepayment for the house. Furthermore, if the money is locked up and the seller cannot access it, it would also not be a problem. The reason for this is that it would only have the appearance of a loan if the seller is able to make use of the money. If he cannot gain access to the money, the transaction bears no resemblance to a loan and would not be subject to the prohibition of *pesika*.