

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## Muslims, Sub-Prime Financial Chaos and a Lesson

Ustādh Abu Eesa Niamatullah

There's a lesson to be learnt from the whole mess of the sub-prime lending fiasco in the USA mainly, where you effectively have banks giving loans to people who can't really deal with them, and then selling on those loans themselves via all sorts of methods to further banks, who then sell it on and so on....

So basically, everything is just a debt being passed on and a promise to pay and there's nothing actually behind it to support the system. That is of course the exact reason that Islam prohibits the sale of debt because of the artificial chaos behind it.

Traditionally, Muslims studying their religion always come unstuck when it comes to *mu'amalat* and all the financial contracts and conditions etc, after just having flown through prayer, hajj etc. The good thing about this American crisis is that even the layman can clearly see the incredible fragility of the *riba* and gambling based banking system that *kufir* thrives on, and the inherent risks and inconsistencies of a non-equity backed system, i.e. where there is no real money or property etc behind the transactions.

Likewise, with the non-American Northern Rock, HSBC and then Delta Two being severely stung here in the UK through their investments in such markets, let there be a warning to all of us in where you're thinking of putting your money and how secure it actually it is.

If you're in the UK, the **safest** and *most Islamic place* to put your money is a savings account from the Islamic Bank of Britain (that'll cheer up my old friend Shaher no end!) where not only is the bank protected from fraud by the FSA, but the investments are in *halāl* projects and most strikingly, there is no investment done unless there is equity behind it. Incidentally, I'm not endorsing anything else IBB does by the way but their savings account is great stuff if your money is doing nothing at home and we all know it shouldn't just be lying there in the conventional banks attracting interest which can be difficult to track down later or supporting some form of *haram* somewhere in the bank's investments funds.

Disclaimer: this doesn't constitute bona fide financial advice blah blah flah flah and all that *bakwas* that's meant to stop you being sued and stuff. Whatever.