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May the studying of the Daf Notes be a zechus for their neshamot and may their souls find peace in Gan Eden and be bound up in the Bond of life

Mishnah

A person should not say to his friend, “Lend me a *kor* of wheat and I will pay you back during the time when the wheat is gathered into the silos.” Rather, he should say, “Lend it to me until my son comes or I find the key” (*meaning that he has it himself, and temporarily does not have access to it*). Hillel forbids this. Hillel also said: A woman cannot lend her friend a loaf of bread unless at the time of the loan she assesses the value of the loaf. The concern here is that maybe the price of wheat will rise and then the lender and borrower will have participated in the prohibited act of *ribbis*, lending and borrowing with interest. (75a1)

Cases of Ribbis

Rav Huna says: If he has a *se’ah* (*i.e. of wheat*), he can borrow a *se’ah*. If he has two *se’ahs*, he can borrow two *se’ahs*. Rabbi Yitzchak says: Even if he only has a *se’ah*, he can borrow based on this even many *korin*.

Rabbi Chiya taught a *Baraisa* that supports the position of Rabbi Yitzchak. The *Baraisa* states: He doesn’t have a drop of wine or oil. This implies that if he had a drop of wine or oil, he could borrow against that drop many drops. [*There is an argument among the Rishonim whether he can borrow a large amount at once, or he can only borrow the amount he owns many separate times.*] (75a2)

The *Mishnah* says that Hillel forbid this.

Rav Nachman says in the name of Shmuel: The *halachah* follows Hillel.

The *Gemora* concludes: The *halachah* does not follow this ruling. (75a2)

The *Mishnah* says that Hillel also said a woman should not borrow etc.

Rav Yehudah says in the name of Shmuel: This is Hillel’s opinion. However, the *Chachamim* say that a person can borrow and pay back in a normal fashion (*without having to turn it into a sale*).

And Rav Yehudah says in the name of Shmuel: People in a group who are particular with each other (*that if one lends something to the other, it should be paid back in full*) transgress on *Shabbos* and *Yom Tov* the prohibitions against measuring, weighing, and counting, borrowing, and paying back. According to Hillel, they also transgress *ribbis*.

And Rav Yehudah says in the name of Shmuel: Torah scholars are permitted to borrow from each other with interest. Why? They know that *ribbis* is forbidden, and are just giving each other a present.

Shmuel said to Avuha bar Ihi: Lend me one hundred peppers in exchange for one hundred and twenty peppers, and it will be good.

Rav Yehudah says in the name of Rav: A person may lend to his sons and the members of his household with interest, in order to give them a (*painful*) taste of what *ribbis* is like.

The *Gemora* concludes: This is incorrect, as this will possibly make them want to sin and lend to others with interest. (75a2 – 75a3)

Mishnah

A person may say to his friend: Pull out weeds for me, and I will pull out weeds for you. Dig for me, and I will dig for you. He should not say: Pull out weeds for me, and I will dig for you. He similarly should not say: Dig for me, and I will pull out weeds for you. [*These cases are forbidden because perhaps the second labor is more difficult than the first, and it will then constitute ribbis.*]

A day where the land is dry (*during the summer when the days are longer and there are more hours to work*) is equal to another such day (*although one might be slightly longer*), and a day where the land is wet (*during the winter when the days are shorter and there are less hours to work*) is equal to another such day. He should not say to his friend: Plow with me when the land is dry and I will plow with you when the land is wet (*for the work during the winter is more difficult than the summer*).

Rabban Gamliel says: There is *ribbis* in advance and late *ribbis*. What is an example of such a case? If a person wanted to borrow money from someone, and he therefore sends the potential lender a present and says that he is sending on condition that he will receive a loan from him, this is forbidden. If someone borrowed from his friend and paid him back, and then sends him a present with the message that this is for his money that was not earning money while he borrowed it, this is late *ribbis*.

Rabbi Shimon says: There is also such a thing as *ribbis* through words. A borrower should not say to the lender, "You should know that this person is coming from a certain place" (*when he would not have bothered to give him this information if he would not have received a loan from him*).

The following people transgress the negative prohibition (*of interest*): the lender, the borrower, the guarantor and the witnesses. The *Chachamim* say: Even the scribe who draws up the document sins. They transgress the verses, "Do not give," "Do not take from him," "Do not be like a (harsh

creditor," "Do not place interest upon him," and "And before a blind man do not place a stumbling block, and you will fear your G-d, I am Hashem." (75a3 – 75b2)

Statements regarding Lending

The *Baraisa* states: Rabbi Shimon ben Yochai asks: How do we know that if a person is owed a *maneh* by someone, that the borrower cannot greet him in advance by saying "Shalom" to him? The verse states, "Neshech" -- "bite, anything that bites." This even includes words. [*Even feeling indebted to start greeting him.*] (75b2)

The *Mishnah* says: These transgress etc.

Abaye says: The lender transgresses all of the prohibitions mentioned in the *Mishnah*. The borrower transgresses, "Do not bite (*ribbis*) for your brother," "And for your brother do not bite," and "And before a blind man do not place a stumbling block." The guarantor and witnesses only transgress, "Do not place interest upon him." (75b2)

The *Baraisa* states: Rabbi Shimon says that people who lend with interest lose more than they gain. Moreover, they make Moshe Rabbeinu into a smart person (*the Gemora actually means a foolish person, but did not want to be disrespectful to Moshe Rabbeinu*) and his Torah true. They say: If Moshe Rabbeinu would have known how much profit one could make by lending with interest, he would not have forbid it. (75b2)

When Rav Dimi arrived (*from Eretz Yisroel*) he said: How do we know that if one is owed a *maneh* by someone and he knows the person does not currently have the ability to pay, he is not allowed to pass by him (*with the intent that this should remind him to get money to pay the loan*)? The verse states, "You shall not be to him as a creditor."

Rabbi Ami and Rabbi Assi both say: Doing so is like judging him with two judgments. This is as the verse states, "You



have put a man over our heads, we have went through fire and water.” (75b2 – 75b3)

Rav Yehudah says in the name of Rav: Whoever has money and lends it without witnesses transgresses the following prohibition: “*And before a blind man do not place a stumbling block.*”

Rish Lakish says: Such a person causes himself to be cursed, as the verse states, “*The lips of lies should be silenced, those who speak lies about a righteous man.*” [When the other person denies he ever borrowed money from him, the borrower’s friends curse the lender for accusing the borrower.]

The Rabbis said to Rav Ashi: Ravina upholds whatever the Sages say. Rav Ashi sent Ravina a message one Friday evening before *Shabbos*: Lend me ten *zuz*, as I have a small plot of land I would like to purchase. [He wished to determine if he would lend the money without witnesses.] Ravina sent back: Bring witnesses, and we will draw up a loan document. Rav Ashi sent him a message: Even from me you require this? Ravina sent back: Especially from you I require this, as you are busy learning. You might forget that I lent you the money, and I will have caused myself to be cursed.

The *Baraisa* states: Three people scream out and are not answered. They are: One who has money and lends it without witnesses; one who buys a master for himself; and one whose wife rules over him.

The *Gemora* asks: What does the *Baraisa* mean when it says, “One who buys a master for himself?”

The *Gemora* answers: Some say it means a person who claims that his money belongs to a gentile. [He does so in order that he cannot be sued. However, the gentile overhears this and ends up claiming the money is indeed his.] Some say this refers to someone who writes his possessions over to his sons when he is still alive. Some say it refers to someone who is unsuccessful in a certain area, and does not move to a

different area. [This would be good for him, as it would change his *mazal* (Maharsha).] (75b3)

WE WILL RETURN TO YOU, EIZEHU NESHECH

INSIGHTS TO THE DAF

Punishment of Ribbis

What prevents one from arising at *T’chiyas HaMeisim*? The Chofetz Chaim (*ibid.*) quoting Chazal (Sotah 5A) states that the sin of *gaivah* (arrogance) prevents a person’s earth from moving during *T’chiyas HaMeisim*. Additionally, lending money with interest prevents one from arising (*Pirkei D’Rebbe Eliezer* 33). Even if a *Heter Iska* is used, the Chofetz Chaim writes, one must make sure that it is properly completed in order for it to be valid.

We must advise that there are a number of improperly worded *Heter Iska* documents in current use which are completely invalid, rendering loan transactions made through them bone fide *ribbis*. For example, the phrase “in lieu of the sharing of profits and losses,” or “it has been agreed... (followed by language which does away with the sharing of any form of losses)” voids the *Heter Iska*. Additionally, language which provides that “these payments will continue until the original loan is paid in full” (which has the effect of guaranteeing payment of the principal) voids the *Heter Iska*, as well.

EVERYDAY CASES INVOLVING INTEREST

By: Rabbi Doniel Neustadt

Although the Biblical prohibition against charging interest (*ribbis*) on a loan is well-known, few people are aware of the many applications and ramifications of the laws of interest. Transgressing these laws could result in the violation of up to six negative commandments according to the Rambam, so it is imperative that we examine some everyday situations where the laws of interest apply.

SOME FORBIDDEN FORMS OF BORROWING

A loan may not be made with conditions which will benefit the lender. He may not stipulate that in exchange for the loan, the borrower should patronize him, refer others to his or another person's business, be given a job, or make a donation to *tzedakah*. It is permitted, however, to lend money with the stipulation that the borrower will accept a job offer or take a course, etc., if the lender's aim is solely to benefit the borrower or to ensure that his loan will be repaid.

It is forbidden to lend money to a handyman on condition that he will work for the lender at a lower wage.

It is forbidden to borrow another person's credit card to make a purchase on which the borrower makes monthly payments with interest. Similarly, it is forbidden to borrow another person's credit card to obtain a cash advance. These transactions are forbidden because legally, the owner of the card is responsible for the payments. In effect, it is as if the borrower is borrowing money from the credit-card owner and then repaying him the principal plus interest.

It is permitted to borrow another person's credit card (*when no interest is paid*) even though the credit-card owner benefits from the borrower's purchase by earning mileage, etc.

It is forbidden to lend money on condition that the borrower will (*at a later date*) lend the lender money for a longer period of time or a larger amount of money than the present loan entails. It is debatable if the lender can make that type of condition if the amount of money and time will be the same as those of the present loan.

It is forbidden to charge extra money for a post-dated check, since the person issuing the check is actually paying interest for the privilege of delaying payment.

A form of *ribbis* of which many people are not aware is the case of two people agreeing to an uneven exchange of jobs

or chores. For instance, a teacher should not say to a colleague, "I will teach your period if you will teach mine" if the two periods being exchanged are not exactly equal, both in the length of time and in the difficulty of work entailed. Similarly, one may not say to his friend, "I will paint your house if you will paint mine," if the two houses are not exactly even in size and in the amount of work involved.

It is forbidden to tell someone, "Have a meal with me, since I ate at your house last week." This appears to be payment of debt, and since one might give his friend a more elaborate meal than the meal he received, it may be perceived as *ribbis*. Some *poskim*, however, permit saying, "Come to my house for lunch, and I'll eat lunch at your house next week", while other *poskim* prohibit this as well.

Note: It is important to remember that in some of the cases in which it is prohibited to charge interest, a *Heter Iska* (*a partnership agreement*) can be drawn up by a competent rabbinic authority which allows the transaction to be carried out in a halachically permissible manner.

SOME FORBIDDEN FORMS OF REPAYMENT

The prohibition of *ribbis* is not limited to monetary payments. A favor or a benefit of any sort which the lender receives from the borrower may fall into the category of interest. There are several basic rules which govern the extent of this prohibition:

- a. A borrower may not extend a favor to a lender just because he got a loan from him. If the borrower would not have done the favor otherwise, it is forbidden to do the favor.
- b. The borrower may not do a favor for the lender in public even if he would have done the favor regardless of the loan.
- c. When the relationship between a borrower and a lender is long established and the borrower has previously granted public favors to the lender, such a relationship may continue even after a loan takes place.



SOME APPLICATIONS OF THESE RULES

A borrower may not praise or bless a lender for lending him money or for extending a payment deadline. Some *poskim* even prohibit saying a simple thank-you, while others allow a simple thank-you.

A borrower may not buy a lender an *aliyah* in appreciation for a loan. A borrower may not send *mishloach manos* to a lender, tutor a lender or his child in the study of Torah without compensation, offer him charity, sell him goods or offer a service below market price, or buy goods from him or pay him for a service above market value, unless he would have done so regardless of the loan.

A borrower may invite a lender to a wedding even if he would not have invited him were it not for the loan.

Institutions, e.g., yeshivos, shuls, etc. may honor an individual who has loaned them money, provided that the honor was not a condition for granting the loan.

It is permitted for a borrower to give a wedding gift to the son or daughter of a lender, even if he would not have given a gift were it not for the loan. The gift must be an item which the groom's/bride's father would not normally purchase for his child.

A borrower may extend to a lender a common courtesy, such as changing money for him. A lender, though, may not (*strongly*) request a favor from a borrower, even if it is merely a common courtesy.

Note: All non-financial benefits and favors are prohibited only while a loan is outstanding. Once a loan is repaid, this type of *ribbis* prohibition no longer applies.

INTEREST (RIBBIS) WITH A CORPORATION

QUESTION: Although it is explicitly forbidden for an individual to charge or pay *ribbis*, does the prohibition of *ribbis* apply also to corporations? There is some

misunderstanding regarding this halachah. A lenient ruling by Harav M. Feinstein holds that a corporation may pay *ribbis* for deposits, loans, or credits which it receives, even if the corporation is totally owned by Jews. The reason for the leniency is that a "borrower" is halachically defined as someone who has personal responsibility to pay a loan. When a bank or another corporation is the "borrower", the loan is guaranteed by the company's assets, but not by any individual. Thus there are no Jewish "borrowers" and *ribbis* may be paid by the bank or the corporation.

This ruling of Harav Feinstein has been accepted by some *poskim* and rejected by others. Obviously, if possible, a proper *Heter Iska* should be made before drawing interest from a Jewish-owned bank. If it is difficult to do so, there are *poskim* who allow taking the interest, as per Harav Feinstein's ruling. [Note that a *Heter Iska* does not allow a Jewish-owned bank to offer free gifts to depositors if the gift is chosen and delivered at the time of deposit, since such gifts are a form of *ribbis*.]

Under no circumstances, however, is it permitted to borrow money from a Jewish-owned bank or corporation. Since the borrower is an individual who accepts personal responsibility to repay the loan, the above leniency does not apply.

Similarly, lending money to a Jewish-owned corporation with the personal guarantee of repayment by the owners would be prohibited even according to Harav Feinstein's lenient opinion.

For the above reason, it is prohibited to buy shares in a publicly traded bank which has a majority of Jewish owners and does not use a proper *Heter Iska* when borrowing money from Jews. A company in which most of the shareholders are not Jewish but the Jewish minority has significant enough holdings that their opinion carries weight in management decisions, is also considered a Jewish company according to the opinion of many *poskim*.

HETER ISKA

We have previously mentioned the concept of *Heter Iska*. While it would be almost impossible to explain the logic behind this very complicated transaction, suffice it to say that *Heter Iska* is a tool--debated, revised, and perfected over many centuries-- with which a lender may lend money to a borrower and be halachically permitted to collect interest on the loan. It is a legal document which transforms the loan [or part of it] into an investment, with a remote chance of loss of principal to the lender. Since *ribbis* is only forbidden when a fully guaranteed loan takes place, this tool allows the lender to earn "profits" from his "investment" as opposed to "interest" from a "loan", and it is therefore permitted. *Heter Iska* transactions are very common today and, when done under the auspices of an expert in these matters, are used in many business dealings in a permissible manner.

We must, however, point out an important reminder. According to the opinion of most *poskim*, including the foremost *poskim* of our generation, a *Heter Iska* is valid only if the money is being borrowed to invest in a business or in a property, or if the money being borrowed will free other money to be used for a business transaction. A person who borrows money to pay for his daughter's wedding, for instance, or for any other ongoing expenses, and does not have any profit-generating holdings or assets, may not use a *Heter Iska* to borrow money.

Many people are not aware of this limitation and are constantly borrowing money, or over-drafting their bank accounts from Jewish-owned banks, relying on a *Heter Iska* which is unacceptable according to most views. Certainly, one who is scrupulous and is generally not lax when it comes to other *mitzvos* of the Torah, should be aware that this transaction is not valid according to the majority opinion, and that it may be Biblically prohibited. When this situation arises, an expert Rav should be consulted, since there are methods that can be utilized in order to make this transaction valid according to most *poskim*.

NEIGHBORS BORROWING GOODS

QUESTION: Does the prohibition of *ribbis* apply to neighbors borrowing goods from each other? The prohibition of *ribbis* applies to goods borrowed between neighbors. A neighbor who borrows two *challos* may return only two *challos* to the lender. If a 5 lb. bag of sugar is borrowed, only that amount may be returned. There are, however, several notable exceptions to this prohibition:

If the difference between the item borrowed and the item returned is insignificant to the degree which people generally do not care about, the prohibition does not apply; a slightly bigger *challah*, therefore, may be returned.

When neighbors have a type of relationship where they are in the habit of borrowing from each other without being careful to return everything they borrow, then the prohibition of *ribbis* does not apply. This is because the neighbors are not "borrowing" from each other; they are giving each other gifts. [Note that many neighbors do not have such a relationship.]

When the borrower is uncertain of the precise amount he borrowed, he may return an amount which is great enough to assure that the loan is paid up.

A neighbor who borrows an item from his friend may return that item exactly as borrowed, even if the price of the item has gone up in the interval. This is permitted because prices tend to fluctuate by small amounts and neighbors generally are not particular about such a small difference.

QUESTIONS AND ANSWERS FROM YESTERDAY'S DAF

to refresh your memory

Q: Does an identifying mark effect an acquisition?

A: Only in a place where this is the custom; otherwise, it accomplishes that if one of them reneges on the deal, he will submit to a *mi shepara*.

Q: What is the *halachah* if three people gave money to one person to purchase something for them, and he purchased on behalf of only one of them?

A: He has purchased it for all three of them (*and they each own a portion of it*).

Q: When will it be permitted for one to lend his sharecropper wheat with the condition that he should return wheat? For what purpose must it be used for?

A: Only if it is for seeds and not to eat.

DAILY MASHAL

Continuation of Chasam Sofer story

Loans Him Money

The *Chasam Sofer* began to think of ways and means to help this unfortunate man. Suddenly, his face brightened. He approached his closet and removed a small bag of coins, which he had been saving for a dowry for his daughter.

“In this bag are 100 gold coins,” said the *Chasam Sofer*. “I am giving this to you as a loan. Now go immediately to the city of Leipzig, and the first piece of merchandise you see, purchase it with these gold coins. And may the G-d of Abraham, Isaac and Jacob be with you and make you prosper.”

But the banker was reluctant to accept the money. He knew that the *Chasam Sofer* was not a rich man, and it must have taken him a long time to accumulate this money. “Rabbi,” he said, “I cannot take this money for I cannot promise to return it to you, and if I lose this money too, then I will also cause you grief.”

“The help of G-d comes momentarily,” replied the *Chasam Sofer*. “Do you think I would give you this money if I was not certain that G-d will see to it that you make good and will

return it to me very soon? You must never lose faith and trust in G-d. Remember, go to Leipzig, and the first merchandise you see be sure to purchase.”

After much urging, the man took the money. “How can I ever thank you, Rabbi, for all the good and kindness you are showing me?” he asked.

“In the Name of G-d, you have nothing to thank me for,” answered the Rabbi. Remember that there is also a law prohibiting too much appreciative talk because it is compared to interest. So depart immediately, and may G-d bless you.”

To be cont