



IJARA CONVERSION PRODUCT FATWA

الحمد لله رب العالمين، والصلاة والسلام على حاتم الأنبياء
 والمرسلين، محمد المصطفى الأمين، وعلى آله وأصحابه أجمعين

As the Shariah Supervisory Advisor of Ijara Loans, I have examined and reviewed the documents of Ijara Conversion Product and the purposes for which they have been designed, namely:

1. To assist Muslims homeowners and others residing in United States of America to 'convert' their existing 'riba' (interest) based mortgage into a Shariah Compliant Ijara Wa Iqtina (Lease-To-Own) contract
2. To enjoy the US tax benefits by federal government to home owners
3. To "convert" the "lender" relationship with their original conventional financial institution to that of an "Investor" by establishing a "Trust" relationship with the same original conventional financial institution without effecting/influencing the economics of the original contract

The basic underlying concept behind the Conversion product is to establish a Shariah Compliant relationship between the consumer and Ijara Loans or Ijara Canada through setting up a "Trust" that is devoid of Riba/Interest. The payments made to the Trust by the consumers are considered part rent/part payment to the house with a percentage of profit being made by IjaraLoansTM.

After reviewing documents, and agreements pertaining to the Ijara Conversion Product, I am of the opinion that given current circumstances and the requirements of the local laws in United States, this arrangement conforms to the rules of Shariah; and therefore Muslims may avail themselves of this opportunity to convert their current existing Riba (interest) bearing mortgages into a Shariah compliant contract by means of this 'Conversion' method.

Shaikh Mohamed-Umer Esmail