



11 April 2023

## Home Mortgage Situation in Canada and Islamic Finance Companies

**Question from Canada on Jan,18 2023****Question:**

Assalamualikum

I am a new immigrant to Canada and settling in with my family.

I am currently living on rented property and would wish to buy an house to save rental drainage. However, I have learned that it is nearly impossible to for new immigrants to buy house with upfront cash and one has to take mortgage route to make it possible.

I have spoken to other Muslims in family, friends circle and surrounding regarding the status of Mortgage and have received the following responses:

1. It is permissible for buying personal house first time.
2. In absence of any other option, this is the only viable way for Muslims to settle down hence permissible.
3. It should be considered as a business transaction backed by house, hence does not include RIBA (money over money) hence it is permissible

Unfortunately, I have not come across any written decision or Fatwa by religious scholars pertaining to above. Which is why I am writing to seek advice from religious scholar / Mufti in light of Islamic teachings, Hadith, Sunnah and other sources.

My questions are:

1. Are mortgages for buying personal house Halal/Permissible by any means specifically in Canada?
2. I understand that there are few Islamic money pools available however they do not offer adequate money to buy house. In this case are bank mortgages Halal?

I look forward to your response that will not only benefit me but similar others who are looking for guidance on the matter. May ALLAH keep us on the righteous way in the best manner possible

JazakALLAH

**Answer:****In the Name of Allah, the Most Gracious, the Most Merciful.****As-salāmu ‘alaykum wa-rahmatullāhi wa-barakātuh.**

Detailed answers pertaining to mortgages can be found on Fatwa.ca. Below are the links to these fatawa. Please view them as they provide in-depth explanation regarding the concerns of mortgages in Canada:

**[fatwa.ca/interest-and-mortgage-in-western-countries-should-we-revise-our-understanding-of-riba/](#)****[fatwa.ca/mortgage-purchase-in-this-specific-situation/](#)**Furthermore, Darul Iftaa Canada has been in a process to review and approve local Islamic Finance companies. At this time, Darul Iftaa Canada endorses and encourages two shariah compliant home financing companies in Canada: **Manzil** and **Eqraz**.

Both companies' procedures and methods have been investigated and deemed permissible by authentic Islamic scholars. You can contact these companies to see if you meet their home financing requirements. Darul Iftaa is also in process to formulate an independent fatwa of endorsement for Eqraz.

If you have any further questions, please do not hesitate to reach out and ask.

**And Allah Ta’ala Knows Best****Mufti Abdul Haseeb Muhammad****Chatham, ON.****Canada****Checked and Approved by:****Mufti Faisal bin Abdul Hamīd al-Mahmūdī****Darul Iftaa Canada, Edmonton**[www.fatwa.ca](#)[finance](#)[home](#)[islamic](#)[mortgage](#)