

THE CALL CENTER for HILCHOS RIBBIS

UNDER THE AUSPICES OF HARAV PINCHOS VIND SHLITA



732 - 228 - 8558



סניף ליקוואוד וגלילותיה

R' Yaakov Yitzchok Jacob

Q&A

Q. I am a shaitel macher and my supplier recently offered me a deal. If I pay him up front for 10 shaitels, he will give me a discount of \$500 per shaitel, paying only \$10,000 for the shaitels (instead of the regular \$15,000). Notwithstanding, my supplier stipulated, that although he may not renege on this sale, however, in the event that I would not be able to sell any/some of the shaitels, I may return them to him at any time, thereby nullifying the sale and receive a full refund of \$1,000 per shaitel. Is there any ריבית problem with such an arrangement?

A. Yes, the way it stands is problematic. However, there is a way to set this up in a permissible way.

Explanation: Whenever someone sells someone an item, and the seller makes a stipulation that he has the right at any time to return the money and repossess the item, we view the payment as a ספק דמי מכירה ספק הלואה. Thus, if the seller decides to return the money he received, he will thereby nullify the sale. Consequently, at that point, the money used for the purchase will retroactively be considered a loan for all *halachic* purposes, with the seller being considered the borrower and the buyer the lender. Therefore, it would be אסור for the seller (borrower) to do any favors for the buyer (lender) as payment or appreciation for the benefit received for possession of the money from the time received until returned. In addition, the הרב שולחן ערוך הרב says that even if the seller can't renege on the sale, as long as the buyer has the rights to return the item and get back his money, then if returned, it would still be considered a loan, and the seller would retroactively be considered a borrower.

So let's get back to our case. Although the supplier may not renege on this sale, since he stipulated that the buyer could cancel the sale and return any shaitels not sold for a full refund, it would emerge that in the effect that she does not sell all the shaitels, part of the \$10,000 dollars which she gave becomes a loan and not money for the sale. Therefore, since he was only willing to give the discount if she paid up front the full \$10,000 for all ten shaitels and part of the \$10,000 became a loan retroactively, it emerges that the supplier gave her a discount only because she loaned him money, which is clearly אסור.

Solution: If he stipulates that if she wants to give back the shaitels she will not be nullifying the sale retroactively, rather, she will be reselling them to him, then it would be מותר. Given that we are dealing with a case that only the buyer can demand the rights to resell the item back to the seller, while the seller has no right to renege on the sale and force the buyer to except the money and give back the item. The פוסקים give various reasons why this would permit it.

R' Shmuel Pullman

"Early bird"

Q. It is very common among the day camps to offer a promotion for signing up early, commonly known as an early bird special. Are there any halachic concerns about this practice?

A. It really depends on the amount of the deposit being required. If the deposit amount is a minimal amount compared to the cost of the camp, such a situation would be permissible. However, in a scenario where the camp is offering a discount for people that are paying a serious amount of the balance upfront, that would be אסור.

Explanation: The issue of ריבית in this situation would only be if a discount is being offered for the rights to use your money (i.e. אגד נטר). Thus, in the scenario where a small amount is given as a down payment, the only reason the camp is requesting that is in order to incentivize people to sign up and not back out. In addition, the camp will now know how many people they are to expect, enabling them to plan accordingly. Therefore, the discount was not given out in return for a loan that was provided for them and is permitted.

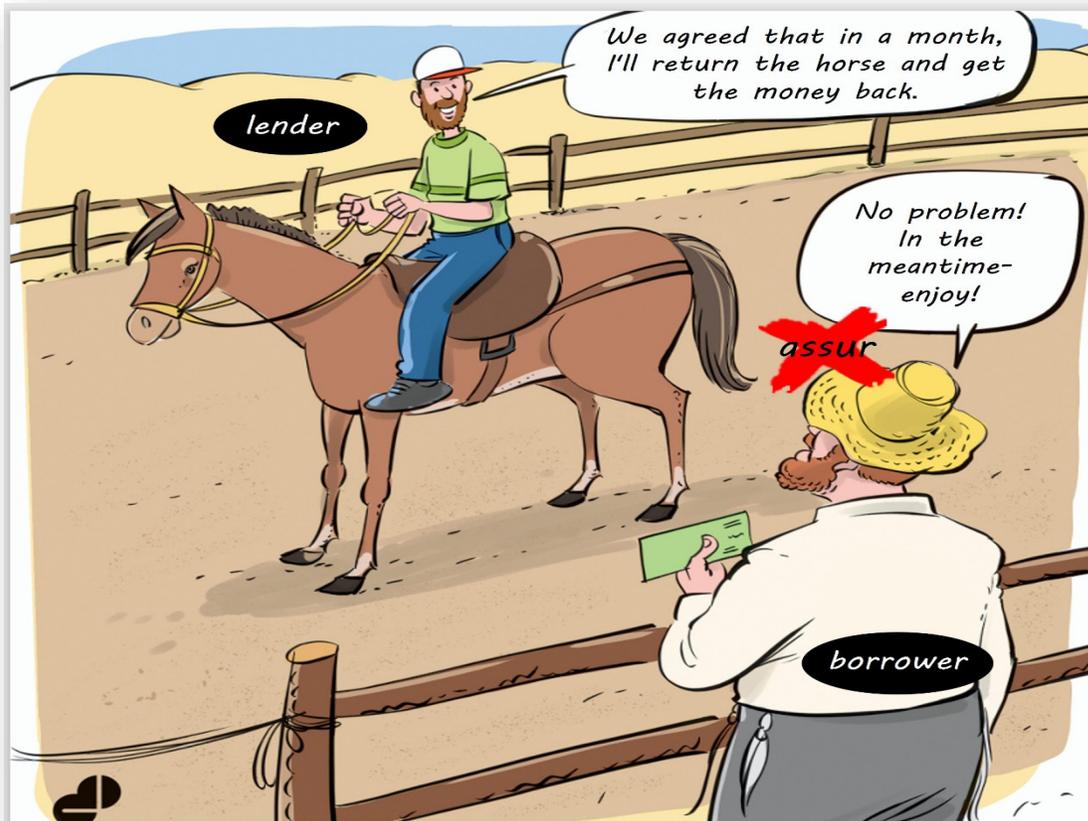
However, when a discount is offered for paying a serious amount upfront, in reality what is happening is that the consumer is offering a loan to the camp to have money to play around with, and in return for that loan the camp is giving a discount, that would constitute the issur of אגד נטר, because something is being offered for the rights to use the money.

Keeping the above parameters in mind, if the camp is offering a discount for people that sign up and give a minimal amount as a down payment and the rest of the amount upfront in head checks, that would be permitted. The reason for that is, that regarding the minimal amount given at sign up, there is no issue as we explained above because it is only being taken as a security to ensure that the ones that are signing up will not back out. Regarding the rest of the balance that is being requested in head checks, since the camp cannot use the money, there is no loan over here at all; the only reason they are requesting the checks is to make it simple for administrative purposes. Therefore, there are no issues of ריבית.

Editor's note: Although this is the opinion of some פוסקים, there are many Lakewood פוסקים who say that as long as the camp already started preparing for the summer, it would be מותר to pay any amount in order to get a discount, as they considered this התחלת מלאכה and it is not a loan.

Common issues of *ribis* for stores & businesses

- ❖ Advertising a 5% discount for customers who pay up front.
- ❖ A storeowner agrees to be paid later, on condition that the customer pays the price as it stands at the time of payment.
- ❖ A customer buys a refundable item and decides to return it and get his money back and uses the item in the meantime.
- ❖ A customer buys a book or *sefer* and then notices that it is damaged and intends to return it, and he reads or learns from it in the interim.
- ❖ Advertising a price for a product as: \$1000 for cash up front, \$1050 for payments in 5 installments and \$1100 for payments in 10 installments.
- ❖ A person needs furniture in six months but wants to protect himself in case of price increase, so he offers to pay the carpenter now at the current price in exchange for furniture to be provided in six months.



Did you know? That if one purchases an item on condition that he may return it and receive a full refund, then according to halacha we view the money he gave as a loan, and using the item in the interim would be *רבית*!?

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