

Membership Fee and Commission Paid by Members of a Home-Operated Lending Group - 29 /Oct/ 2019

Q: I have started an interest-free lending group managed by myself from my home. For someone to become a member eligible for receiving a loan, he or she is required to pay a certain amount as a deposit and a membership fee. By accumulating these deposits, I am able to give loans to the members by turns. So, I have two questions. First, is it permissible to receive a membership fee (which is a fixed amount) from the members? Second, as this lending group is a home-operated endeavor and so does not involve the costs that businesses usually incur (such as rent and employee salary), is receiving a commission for managing this endeavor permissible? How should this commission be determined?

A:

- (1) It is permissible to receive a fixed membership fee.
- (2) As the loan are not yours and you do not lend your own money, receiving a commission for your work is not contingent on any condition, being solely dependent on the agreement of the members.