Family Loan Funds - 5 /Aug/ 2021

Question: Is there any problem with the activities of family funds, or those of neighborhoods, colleagues, etc.? They work as follows: Members make monthly payments to the fund. Then each month the received money is lent to one of the members by lot? Is it okay if the fund manager stipulates that he should receive the first loan without drawing a lot?

Answer: There is no problem with the activities of the mentioned ribā-free funds as follows: Some people give power of attorney to a person in order to receive payments from the members and each month pay it to one of them by lot; Also, there is no problem if the fund manager, who is represented by the members, stipulates that he should receive the first loan.