

CONGREGATION KOLLEL LOMDEI SHAS

6 DEMAREST RD. CHESTNUT RIDGE, N.Y. 10977 845-735-2807 HETERISKAKLS.COM ISKA@BMDPARK.COM



Shtar Heter Iska for loans

- It is imperative that the lender and the borrower understand that the *Shtar Heter Iska* serves as a contractual agreement that funds given from the lender are not given as a loan but rather as an *Iska Investment*.

Instructions:

1. Fill in the blanks of the *Shtar Heter Iska*.
2. The lender should give \$1.00 to the borrower as a nominal *Iska* management fee.
3. The *Shtar Heter Iska* should be signed by both parties.
4. The lender should keep the *Shtar Heter Iska* in his possession.

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The undersigned [INSERT BORROWER NAME HERE>_____] (hereinafter referred to as “recipient”) has received from [INSERT LENDER NAME HERE>_____] (hereinafter referred to as “investor”) \$_____ as a business investment.

Any profits realized or any losses sustained shall be equally shared by the investor and the recipient.

The recipient shall utilize these funds in any manner that he believes has the ability to bring the investor a profit of ____% of the existing principal, annually.

Any claim regarding the amount of profit generated shall be verified under solemn oath by the recipient before and under conditions acceptable to an orthodox Jewish court of law. Any claim of losses must be verified through the testimony of two qualified witnesses in, and under conditions acceptable to an orthodox Jewish court of law.

It is agreed that the recipient must notify the investor of any profits realized, or lack thereof, on the first day of every month, lack of the aforementioned notification is to be considered as an admission from the recipient that profit has been realized to the above-mentioned sum.

It is agreed that if the recipient pays the amount equal to the above-mentioned sum of profit, the investor shall have no further claim to an oath or to any additional profit.

The recipient shall return the principal at _____, however if the payment is not made by that date the terms of this agreement shall continue.

It is agreed to use the terms “loan, bond, interest, or mortgage” on this investment to expedite the collections of funds and profits due to the investor through the courts should the recipient prove delinquent in paying in accordance with this agreement.

The recipient has received one dollar from the investor as payment for managing the business investment.

This *Iska* agreement shall be understood to be in the manner that most facilitates allowing this transaction to go into effect and not violate the Jewish laws of interest. This *Iska Agreement* shall have contractual validity and be enforceable in court. This agreement shall follow the guidelines of the *Heter Iska* written by Reb Moshe in *Sefer Igros Moshe Y.D. 3 simon 39*. In the event of any conflict between the terms of this agreement and any terms of any other agreement regarding these funds, the terms and conditions of this agreement shall supersede and prevail.

כל ההסכם נעשה כחומר השטרות הנוהגים בישראל כדת וכדין דלא כאסמכתא ודלא כטופסי שטרות, בב"ד באופן המועיל ביותר על פי דין תורה. והכל שריר וקיים.

Dated: _____ Recipient: _____ Investor: _____