General Law on Heter Iska

A Jew is not permitted to charge interest (*ribit*) for a loan made to another Jew. A *heter iska* should be used in any case where a loan has been made between Jews if more money will be paid back than what was received.

NOTE In some cases, if you prepay for a purchase and thereby get a discount, it might be considered as interest paid on a loan, and you would need a *heter iska*.

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