

Question 912) - If the original collateral perished and the produced remained?

A: The Rahin will reduce his debt by the proportion of the original. He will spread the debt over the value of the collateral the day the Murtahin took it; and the value of the produce the day of the reduction. The debt will be reduced according to the proportion due to the original. The proportion of falling on the produce is the Rahin's.*

* E.g. a man gave a sheep worth 10 Dirham as collateral for a 10 Dirham loan. She gave birth and then died. If the value of the lamb is 10 Dirham, the sheep died as half the value of the debt i.e. 5 Dirham. If the lamb grew to value so that the day of claim it was worth 20 Dirham then the sheep's proportion is 2 and two-thirds of a Dirham. If the lamb is 30 Dirham the sheep's proportion is a quarter. If the lamb fell in value to 5 Dirham, the sheep's proportion is two-thirds or 6 and two-third Dirham. [al-Jawharah]

~ al-Quduri ~