

Q: 35 – Title: I have conventional offset mortgage on my property in which I live ...

**Question**

1- I have conventional offset mortgage on my property in which I live (offset means- my savings of 30,000 pounds is used to offset my mortgage loan of 270,000 so the mortgage effectively becomes of 240,000 ( 270,000 – 30,000). Also, I don't get any interest money on my savings of 30,000. I pay mortgage of 2000 pounds per month. So, Do I have to pay Zakat on 30,000 savings although it is ultimately going towards my current house mortgage loan. And if yes, should I deduct (2000x12 month =) 24000 from it before calculating zakat

2- I have another 10,000 pounds ( separate saving stock) , I believe I have to pay zakat on it even though I have mortgage of 270000 ( effectively 24000 as mentioned in Q1)

3- I have another house in which I stayed till july 06. I have let it to tenants now. The outstanding mortgage on it is 155,000. It was recently evaluated at 225,000. I pay mortgage of 700 pounds/ month on it. And I receive rent of 750 pounds/ month.

a- should I pay zakat on (225000-155000) = 70000

b Should I deduct ( 700 x12 month) 8400 from it before calculating zakat

c- what about the rent

4 – I have another house back home worth 30000 pounds (no mortgage) do I have to pay zakat on 30000 pounds.

5- I have a brother (30 years) who is unmarried and stays with my parents. So his daily expenses are met. There is one more property in his name from which he gets 15000 Rupees/ month. He is not working. Can I then give zakat money to him every year.

6- can I give zakat money to a hospital back home treating poor patients of all religion and caste. can i give it next month.

I have plans to change both my conventional mortgages to Islamic mortgage next year...inshallah

**Answer**

**In the name of Allah, Most Gracious, Most Merciful**

**Assalaamu `alaykum waRahmatullahi Wabarakatoh**

At the outset, you state that you intend changing to Islamic Finance. You should do so as soon as possible and repent to Allah sincerely for being involved in the sin of Riba (interest). If you are sincere Allah will certainly make a way out for you.

1). In principle, when calculating your Zakaat you will mark down all your assets and deduct your outstanding debts. If there is any surplus amount thereafter which is equivalent to the Nisaab (minimum zakaatable amount), you will pay zakaat on that. If your debts amount to more than your assets, Zakaat is not necessary. You may apply this formula to all your questions.

2.) The stock and cash of 10,000 Pounds will be considered to be from your assets.

3.) The rentals you receive from your properties will be considered to be cash on hand and added to your assets list. If you have used up the rentals, there is no Zakaat on that amount.

4.) If your brother is poor and needy and does not have money equivalent to the amount of Nisaab, you may give him Zakaat. You will receive two rewards for this, one for discharging the Zakaat and the other for assisting a family member.

5.) One of the requirements for discharging Zakaat is to make the recipient the owner of the Zakaat. This requirement is not found when giving the money to the hospital and therefore not permissible. However, one may appoint the administration of the hospital as an agent (wakeel) to distribute the Zakaat on his/her behalf to the poor and needy patients. The administration will look for genuine poor and needy patients and pass the money over to them. It is necessary that the administration first hands the money to the deserving person and thereafter request him/her to settle the hospital bill. The hospital cannot simply deduct the amount from its Zakaat account. Furthermore, the Zakaat money can not be used for any administrative costs.

We advise that it is better to discharge of the Zakaat personally. Many times handing the Zakaat over to others results in the Zakaat not discharged correctly. One should bear in mind that if the agent does not discharge the Zakaat correctly, ones Zakaat is not fulfilled. Only if you have confidence in a person or organization that would discharge the Zakaat correctly according to Shariah, you may pass it over to them.

**And Allah knows best**

**Wassalam**

**Muhammed Zakariyya Desai,**

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