

From: wcmca.Kate.Ouerson
To: WCMCA.Cari.Evavold
Subject: FW: Islamic Banking options in the U.S.
Date: Monday, January 10, 2011 1:15:56 PM

Cari,

Can you please put the text of this message on the web site? This is the best information we have received yet with regard to how purchasing a home can work for people of the Muslim faith.

Kate

-----Original Message-----

From: Ferstan, Andrea [<mailto:FerstanA@unitedwaytwincities.org>]
Sent: Sunday, December 26, 2010 9:49 AM
To: Becky Wochnick; wcmca Kate Ouerson
Cc: Joelle M Hoeft; Daniel J DuHamel
Subject: Fwd: Islamic Banking options in the U.S.

This might be helpfull info for website and for FAIM coordinators.

Sent from my iPhone

Begin forwarded message:

From: christy raulli <christybat@gmail.com<<mailto:christybat@gmail.com>>>
Date: December 25, 2010 6:46:16 PM CST
To: <CommunityDevelopmentBanking-l@cornell.edu<<mailto:CommunityDevelopmentBanking-l@cornell.edu>>>
Subject: Re: Islamic Banking options in the U.S.
Reply-To: christy raulli <christybat@gmail.com<<mailto:christybat@gmail.com>>>

(Response below from my friend and co-worker, Ahmed Baianonie. He refers to his Dad who is an Imam in Raleigh, NC.)

Jon,

Sure, below are some good links. To my knowledge Devon Bank out of Chicago is one of the few banks in US who offers complete Shariah Compliant home financing options and valid in many states. They have done extremely well over the years so you have many companies claim that they have Shariah compliant options. I would say 90% of companies who say their products are Shariah compliant are not. My father and group of experts reviewed their contracts and terms.

<http://www.devonbank.com/>

http://www.devonbank.com/pf_faithbasedfinancing.html

<http://www.devonbank.com/islamic/index.html>

http://www.devonbank.com/islamic/home_buyingahome.html. This link gives a good overview of the various ways you can purchase a new home from Islamic perspective (Murabaha, Ijara or Musharaka).

The main difference is that in Islam you cannot deal with interest in anyway. It is considered one of the major sins. But Islam is ok with the concept of making a profit. So the bank has to buy 100% of the home and turn around and sell it to you at a profit. This way the bank is making a profit on a product which is the home. The other concept in Islam is that the parties cannot change any of the terms of the contract once it has been agreed upon.

What's interesting is that when I bought my home with Devon, I had couple of agents and attorneys review it to make sure it was legal in NC. It turned out that dealing with Devon, I saved a lot of money compared to the traditional loan. This was because in Islam you cannot charge all the fees that banks charge the buyers (origination fees & other bank loan fees).

Thanks,
Ahmed Baianonie
IT Manager

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CDB list instructions <<http://www.runonthebank.net/cdblist.htm>>  
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