



**Islamic Center of Melville**  
118 Old East Neck Road  
Melville, NY 11747  
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F: (631) 249-3297  
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www.icmny.org

## **Qard Hassan Loan Agreement at the Islamic Center of Melville (ICM)**

### Introduction

The Qard Hassan Loan Agreement is a unique financial arrangement rooted in the principles of Islamic finance, designed to facilitate interest-free and benevolent lending for charitable purposes. This agreement is characterized by its emphasis on assisting organizations, such as the Islamic Center of Melville (ICM), in their development, expansion, and mission-driven activities without the burden of interest or profit-sharing.

ICM is currently constructing a 40,000-square-foot Islamic center in the mid-Island community of Melville. The new Islamic center is uniquely accessible to the broad Long Island communities in both Suffolk and Nassau Counties. Construction of the facility has progressed through the generous donations of the community by the Graciousness of Allah (swt). However, the pace of construction and the sooner completion of the Islamic center can be achieved with additional support. The Qard Hassan is an important tool for achieving this goal.

### Key Features

- ✦ **Charitable Purposes:** The primary intent of the loan is to serve charitable purposes. The funds are earmarked for the development, expansion, and activities aligned with ICM's mission and goals.
- ✦ **Repayment upon Request:** The repayment structure is flexible, allowing the lender to request repayment after 24 months, sufficient time for ICM to utilize the funds for construction purposes.
- ✦ **Periodic Updates:** ICM will provide periodic updates on the progress of construction activities to ensure that the lender remains informed about how the funds are contributing to the charitable initiatives.
- ✦ **Interest-Free and Profit-Sharing Exclusion:** The fundamental principle governing the Qard Hassan Loan is the absence of interest or profit-sharing. This distinctive feature aligns with Islamic financial principles, promoting benevolence and charitable giving.
- ✦ **Unsecured Nature:** The loan is unsecured by any property or assets, emphasizing the trust and goodwill between the lender and borrower. This characteristic reflects the commitment to supporting charitable endeavors without creating financial encumbrances.

### Mechanics

- ✦ **Lender's Autonomy:** The lender can choose the loan amount based on their capacity and willingness to contribute to the charitable cause.
- ✦ **Witnessed Signatures:** The lending process involves the lender's signature, which two persons must witness. Similarly, the borrowing process by ICM is witnessed by two trustees, adding a layer of accountability.
- ✦ **Flexible Repayment Options:** The borrower has various repayment options, including the full repayment of the loan principal, partial repayment with forgiveness of the remaining amount, or complete forgiveness of the entire loan.
- ✦ **Exclusive Utilization:** The agreement explicitly states that the loan shall be used exclusively for purposes related to ICM's development, expansion, and activities, ensuring alignment with the center's mission.
- ✦ **Commitment to Repayment:** ICM is committed to repaying the loan to the lender on demand after the specified 24-month period, or longer if the lender chooses. The Lender may expect repayment within two months of the lender's request.

**Chairman of the Board**  
*Essam Ibrahim*

**Chief Executive Officer**  
*Dr. Talaat Abdelmoneim*

**Secretary**  
*Wael S. Hussein*



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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**QARD HASAN LOAN AGREEMENT**

This Agreement (the "Agreement"), made on the date signed by the Borrower, between:

**Lender:** \_\_\_\_\_ (Full Name)  
 \_\_\_\_\_ (Address)  
 \_\_\_\_\_ (City, State, ZIP)

**Borrower:** Islamic Center of Melville (ICM)  
 118 Old East Neck Road  
 Melville, NY 11747

is subject to the attached Terms and Conditions of the Qard Al-Hasan Loan Agreement.

Please complete Section A and return this form to ICM with your loan distribution by check. ICM cannot accept loan distributions in any form other than by check drawn upon a U.S. bank.

**Section A: To be completed by the Lender of this Beneficial Loan**

I, \_\_\_\_\_,

residing at \_\_\_\_\_

hereby lend a sum of U.S.\$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars)

to ICM for a period of not less than 24 months that will automatically renew until a request is made by Lender for repayment, after which Lender shall provide ICM two months for repayment.

Signature of Lender: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Witness 1: \_\_\_\_\_ Date: \_\_\_\_\_

Witness 1 Name: \_\_\_\_\_

Witness 1 Address: \_\_\_\_\_

Signature of Witness 2: \_\_\_\_\_ Date: \_\_\_\_\_

Witness 2 Name: \_\_\_\_\_

Witness 2 Address: \_\_\_\_\_



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**Section B: To be completed by the Trustees of ICM**

On behalf of ICM, we confirm receipt of \$ \_\_\_\_\_

from Dr./Mr./Mrs./Miss \_\_\_\_\_.

WE, the Trustees of ICM, agree to pay back the loan to

Dr./Mr./Mrs./Miss \_\_\_\_\_

within two months, after Lender’s request, which is not less than 24 months after funding the loan.

Trustee 1 Name: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_

Trustee 2 Name: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_

**Section C: Upon Repayment of Loan**

I, \_\_\_\_\_, residing at \_\_\_\_\_

confirm that I (please check and initial next to the appropriate line below):

received US\$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars); or

received US\$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars) and forgive the remainder; or

forgive the loan in full.

Signature of Lender: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Witness 1: \_\_\_\_\_ Date: \_\_\_\_\_

Witness 1 Name: \_\_\_\_\_

Witness 1 Address: \_\_\_\_\_

Signature of Witness 2: \_\_\_\_\_ Date: \_\_\_\_\_

Witness 2 Name: \_\_\_\_\_

A Witness 2 Address: \_\_\_\_\_



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**TERMS AND CONDITIONS OF THE QARD HASAN LOAN AGREEMENT**

**WHEREAS**, the Borrower, Islamic Center of Melville (ICM), is in need of financial assistance for a noble cause, which is to support and enhance the activities and development, including new construction, of the Islamic Center.

**WHEREAS**, the Lender is willing to provide financial assistance to the Borrower, ICM, without any interest or profit motive, purely as an act of charity and to seek the pleasure of Allah (SWT).

**NOW, THEREFORE**, the parties agree as follows:

**1. Loan Amount:** The Lender agrees to provide a loan in the amount of US\$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars) (the "Loan") to the Borrower, ICM, on an interest-free and non-commercial basis.

**2. Purpose of the Loan:** The Loan shall be used by the Borrower, ICM, exclusively for the purposes related to the development, expansion, and activities of the Islamic Center of Melville, in accordance with its mission and goals.

**3. Repayment:** The Borrower, ICM, acknowledges that the Loan is an interest-free and benevolent loan (Qard Hasan) and is committed to repaying the Loan to the Lender on demand after 24 or more months of the date of this Agreement and within two months of the demand for repayment.

**4. Terms and Conditions:**

- The Loan shall not bear any interest or profit-sharing whatsoever.
- The Loan is not secured by any of the property or assets of the Lender, its trustees, officers, members, employees, or agents.
- The Borrower, ICM, shall make every effort to timely repay the Loan, respecting the intention of the Lender to use the funds for charitable purposes.
- The Lender may forgive the Loan or otherwise request full or partial repayment of the Loan after 24 months or more from the date of this Agreement, and the Borrower shall make arrangements to repay the Loan within two months upon such request.
- The Borrower, ICM, shall provide periodic updates to the Lender on the utilization of the Loan funds and the progress of the projects or activities it is intended for.
- This Agreement shall be governed by the principles of Islamic finance and the laws applicable in the State of New York, the County of Suffolk, and the Town of Huntington.

**5. Signatures:** Both parties, the Lender and the Borrower, hereby acknowledge their acceptance of the terms and conditions of this Qard Hasan Loan Agreement by signing below:

**Lender:** Signature: \_\_\_\_\_

Full Name: \_\_\_\_\_ (Full Name)

Date: \_\_\_\_\_

**Borrower (ICM):** Signature: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_ (Full Name)

Date: \_\_\_\_\_