

**IN THE NAME OF ALLAH, MOST
GRACIOUS, MOST MERCIFUL**
AFFORDABLE HOME
OWNERSHIP THROUGH
ISLAMIC FINANCE

BY: PERVEZ NASIM *President*

ISLAMIC CO-OPERATIVE
HOUSING CORPORATION LTD.
TORONTO, CANADA

PREAMBLE

THE VERY FUNDAMENTAL CONCEPT FOR MUSLIMS TO UNDERSTAND AND ACCEPT IS THE FACT, AS REVEALED BY ALLAH, OUR CREATOR AND SUSTAINER, IN THE HOLY QURAN:
“AND IT IS FOR ALLAH WHATEVER IN THE HEAVENS AND WHATEVER IN THE EARTH.”

IN OTHER WORDS,
WE THE HUMAN BEINGS;
DO NOT OWN ANY THING IN
THIS WORLD,
ARE JUST A TRUSTEE , AND,
WILL HAVE TO ACCOUNT
FOR ANY AND ALL
BREACHES OF THIS TRUST,
ABUSE, MISUSE AND
INJUSTICES

RIBA (INTEREST) IS FORBIDDEN

THE HOLY QURAN,
IN NO UNCERTAIN TERMS,
FORBIDS AND CONDEMNS
ALL DEALINGS WITH RIBA,
AS WELL AS,
PARTICIPATION AND
WITNESSING
SUCH TRANSACTIONS

MISCONCEPTIONS AMONG MUSLIMS
PARTICULARLY, AND AMONG NON
MUSLIMS, AS WELL !

INTEREST FREE BANKING
AND FINANCING MEANS;
‘CONVENTIONAL BANKING
AND FINANCING,
DELETE THE WORD
“INTEREST”,
ADD THE WORD PROFIT”!’`

WHAT IS THE DIFFERENCE BETWEEN A BUSINESSMAN AND A MUSLIM BUSINESSMAN?

- **TRUTHFUL AND NO DECEPTIONS;**
- **HONESTY AND INTEGRITY;**
- **EXPECTS BLESSINGS AND REWARDS FROM THE CREATOR, IN ADDITION TO, MONETARY PROFIT;**
- **CONSCIOUSNESS OF SOCIAL AND ENVIRONMENTAL BENEFITS RATHER THAN JUST MONETARY BENEFITS;**

WILLINGNESS TO SHARE THE CONSEQUENCES

SHARING OF GAINS,
AS WELL AS,
LOSSES IN SOME
PREDETERMINED RATIO

*INTEREST FREE
ISLAMIC
FINANCING
MODELS:*

LET US NOW EXAMINE SOME OF THE
INTEREST FREE ALTERNATIVES
AVAILABLE TO US FOR FINANCING:

MODEL A: IJARAH OR LEASE/RENTAL

MODEL B: MURABAHA OR PURCHASE
ON INSTALLMENTS

MODEL C: MUSHARIKAH OR
PARTNERSHIP

MODEL D: MUDARABAH OR LABOR
AND MONEY PARTNERSHIP

Islamic Co-operative Housing Corporation Ltd.



- North America's First Islamic Financial Institution
- An Interest-free Housing and Investment Scheme

***THE SHARIA MODEL ADOPTED
BY THE CO-OP***

- Musharikah or Partnership model was adopted;
- For its simplicity and practical nature for the long term transactions;
- The model was modified a little to make it a Decreasing Partnership;
- A Partnership between a Family and the Community (Co-op);

A PARTNERSHIP

Between the Islamic Financial Institution
and
The Prospective Home Owner

FACTORS AFFECTING THE FINANCING COST

- EXPECTED RATE OF RETURN ON INVESTMENT
- APPRECIATION IN THE PROPERTY VALUE
- SHARING THE APPRECIATION WITH THE HOME BUYER (WHAT RATIO)
- ADMINISTRATIVE OVERHEADS
- LENGTH OF FINANCING CONTRACT
- DEFAULTS AND LOSSES

Islamic Co-operative Housing Corporation Ltd.

MEMBERS COMMITMENTS:

- PAY \$75 MEMBERSHIP FEE TO JOIN
- BUY 6 SHARES OF \$100 EACH ANNUALLY
- INVEST FIRST AND BUY SHARES
- 20% OF 1ST \$100,000 COST OF HOUSE
- 40% OF UP TO THE NEXT \$100,000 COST
- SHARE GAIN/LOSS 10% WITH CO-OP`

Islamic Co-operative Housing Corporation Ltd.

SHARING OF GAIN OR LOSS

- **As a result of sale/transfer of the housing unit any gain or loss realized will be divided as follows:**
 - A. If, at that time, the member has more than 50% shares - 10% to the Co-op and 90% to the member.
 - B. If the member has 50% or less shares - 20% to the Co-op and 80% to the member.
- **The capital gain or loss will be shared after making an adjustment for authorized improvements, expansions and certain legal expenses incurred by the member.**

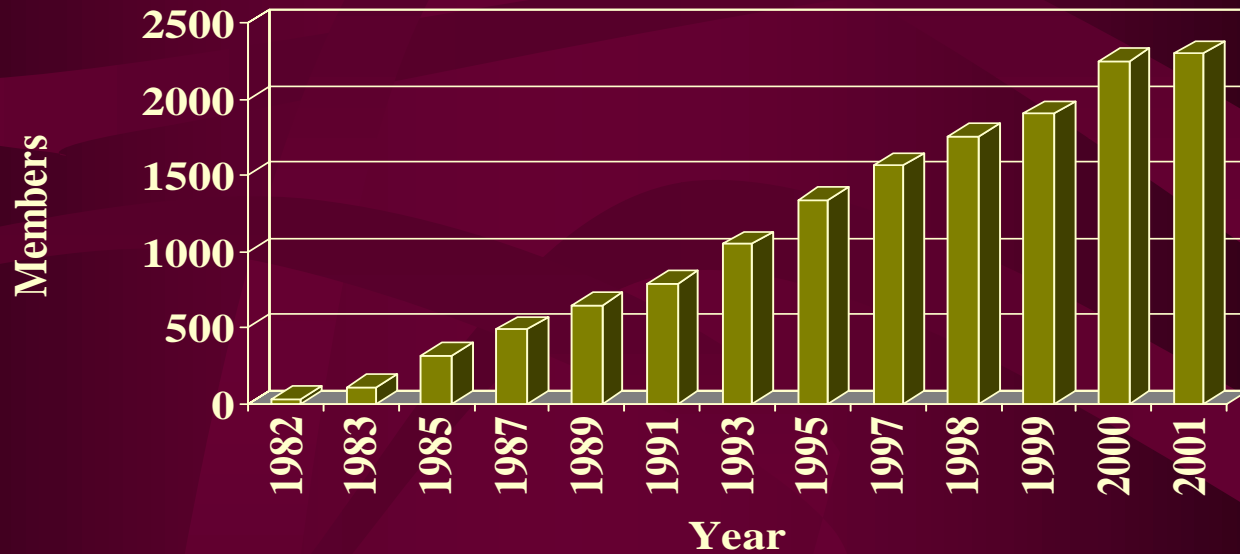
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**THE CO-OP IS BEING
MANAGED BY A BOARD
OF SEVEN VOLUNTEERS**

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Increase in Membership



Current year figures to April 2001

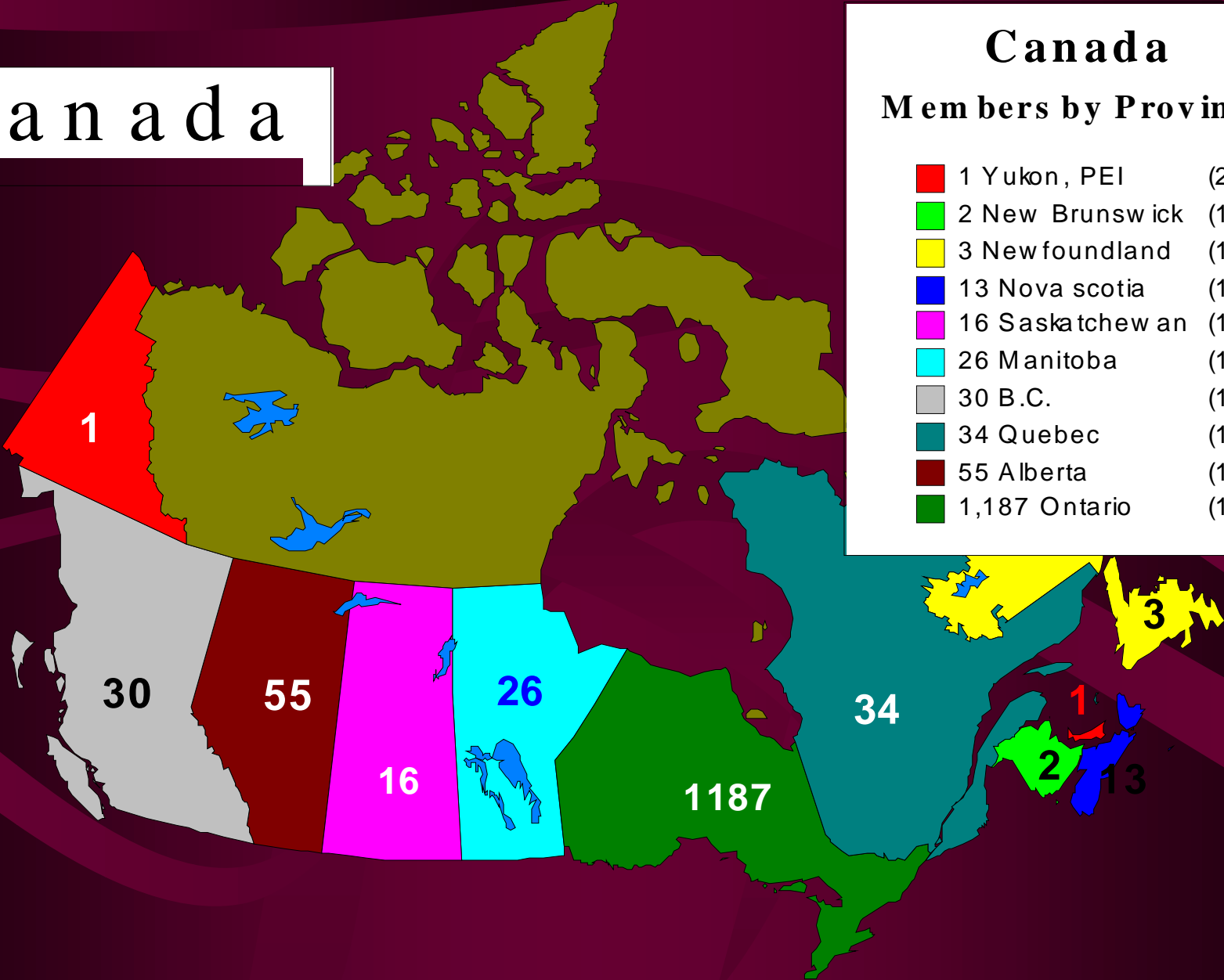
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Canada

Canada

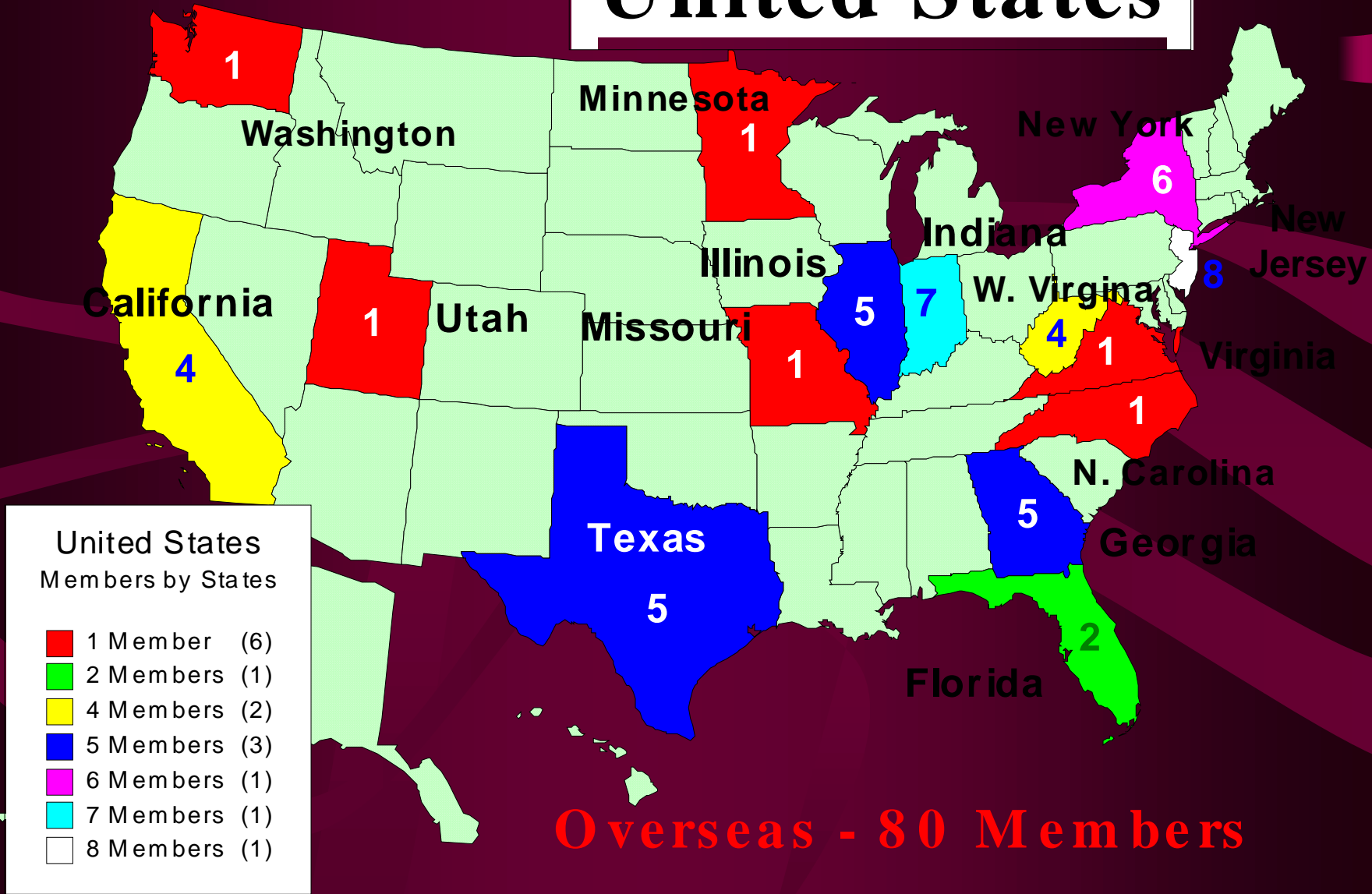
Members by Province

1 Yukon, PEI	(2)
2 New Brunswick	(1)
3 Newfoundland	(1)
13 Nova Scotia	(1)
16 Saskatchewan	(1)
26 Manitoba	(1)
30 B.C.	(1)
34 Quebec	(1)
55 Alberta	(1)
1,187 Ontario	(1)



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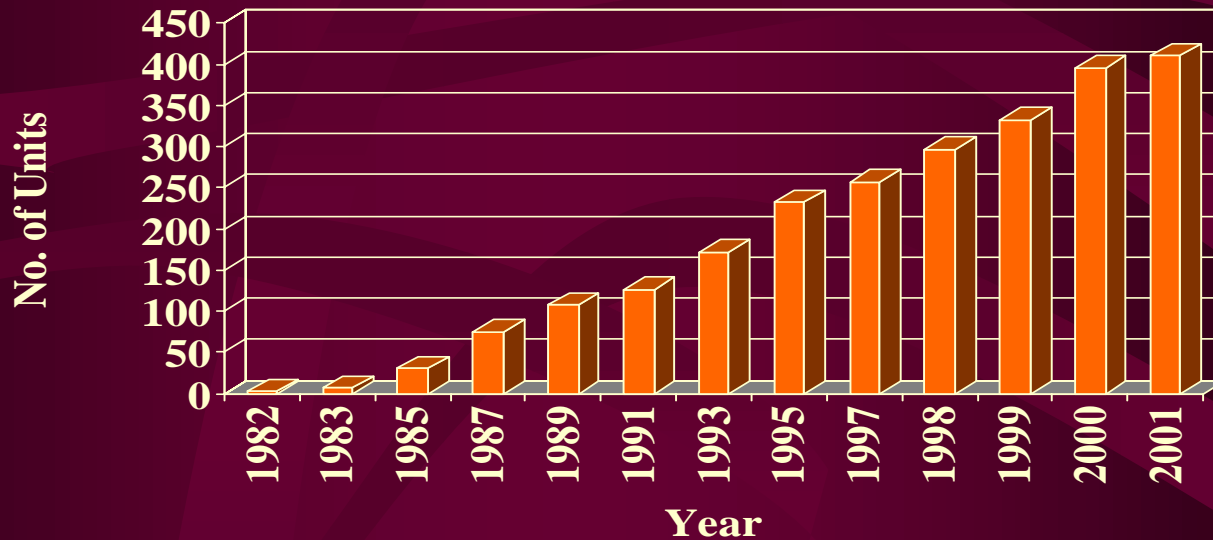
United States



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Increase in Housing Units

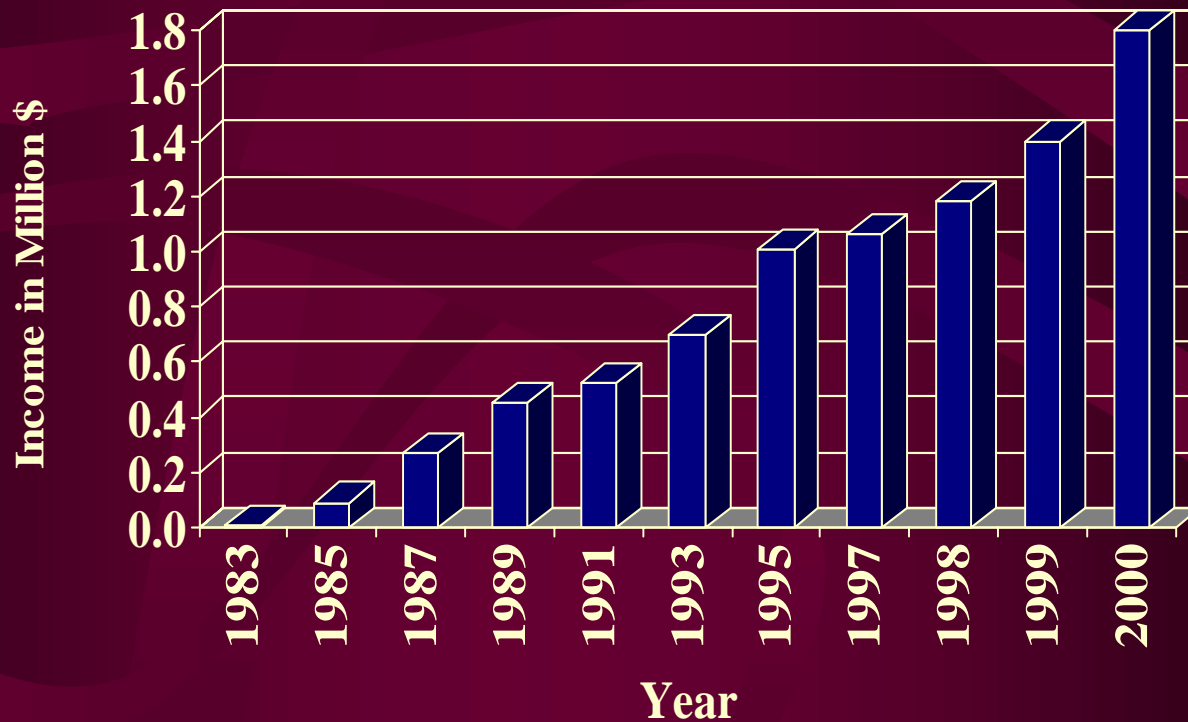


Current year figures to April 2001

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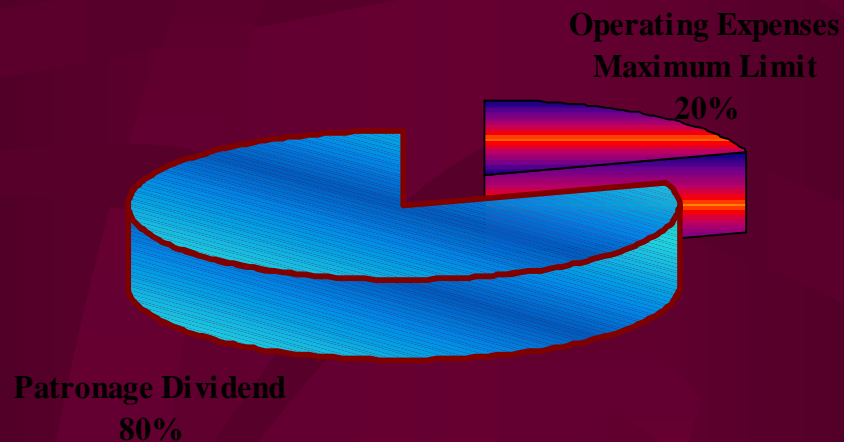


Increase in Income



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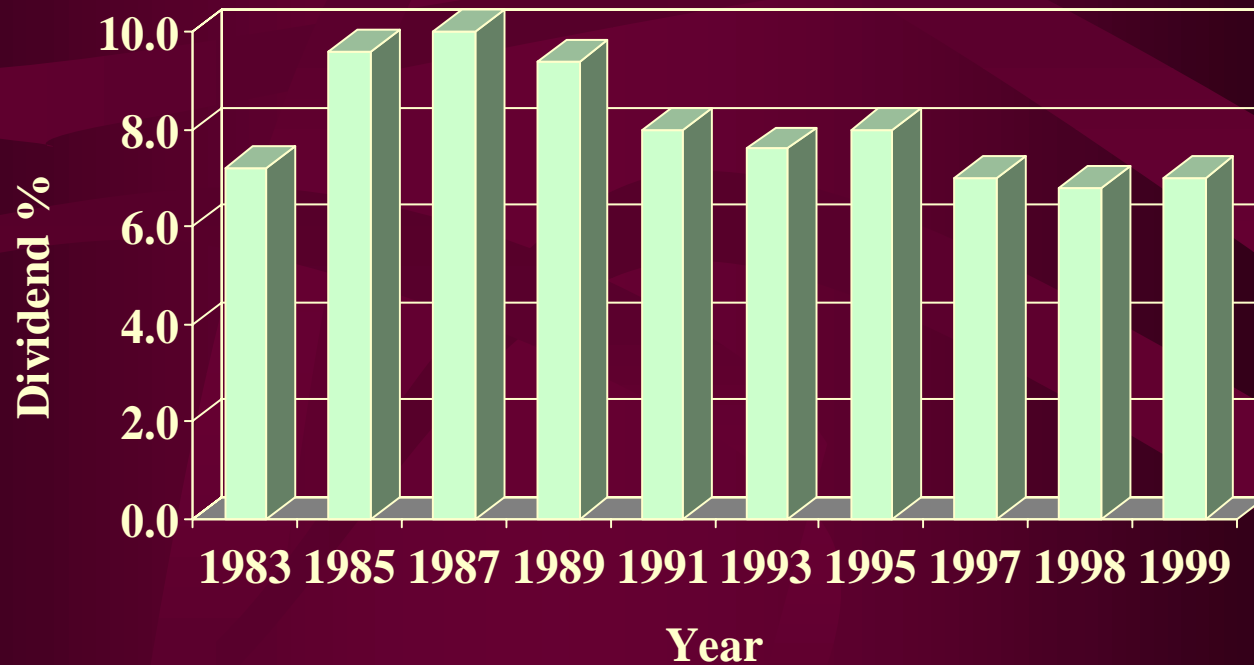
Sharing Income



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Patronage Dividend



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PRESENT STATUS

- In nineteen years, purchased over four hundred and ten (410) houses;
- Sold over \$28 Million worth of Shares;
- Gave Dividends between 6% and 10%.
For the last year it was 7%;
- Membership has grown to over 2,300 including a good number from overseas as investors;

- **Islamic Co-operative Housing Corporation Ltd.**
- **Serving the Muslim Community since 1981**
- **OUR OTHER PROJECTS:**
- **ANSARCO INC.**
 - **Investments in Muslim Businesses**
- **AL-AMIN ASSOCIATION**
 - **INTEREST-FREE RETIREMENT SAVINGS PLANS**

OUR OTHER PROJECTS THROUGH ANSARCO GROUP OF COMPANIES:

- CAR PURCHASE PLANS (COP)
- RETAIL PLAZA JOINT VENTURE IN ALBERTA
- BUSINESS & EQUIPMENT FINANCING
- INTEREST FREE RETIREMENT PLANS
- HEALTH CARE RELATED PROJECTS
- MEDICAL BUILDING PURCHASE
- MEDICAL CLINIC
- HOUSE BUILDING PROJECT ... 150 HOUSES
(ANSAR CONSTRUCTION LTD.)
- ISLAMIC INSURANCE CO. (TAKAFUL)
SOON INSHALLAH!

Islamic Co-operative Housing Corporation Ltd.

OTHER COMMUNITIES COPIED

OUR MODEL:

ST. LOUIS

MONTREAL

SAN FRANCISCO

NEW JERSEY/NEW YORK

AND MANCHESTER, U.K.

..... LONDON IN PROGRESS

FUTURE DIRECTIONS

- Now we are focusing more on major business projects that can provide community services in an Islamic environment, as well as, provide employment opportunities for the community;
- For example Health Care Projects;
- Real Estate Property Development Projects,
INSHALLAH! (GOD WILLING)ˆ

PLEASE VISIT OUR WEB SITE

The Financial Link
to the Community

<http://www.isnacanada.com/ichc.htm>

**THANK YOU AND
MAY ALLAH BLESS YOU!**

**THANK YOU
FOR YOUR
PATIENCE!**