


Debts and *Prozbul*

Ref: *Sefer Zeraim, Hilchot Shmitah Veyovel, Chapter 9*

 | To cancel debts in *shmitah* year⁷, Not to press or demand debts from debtor⁸
Nullification of debts according to Scripture, applies only in the era when *yovel* (jubilee) is observed.

 | This has been transmitted by *Kabalah*.

 | *Derabanan*, the nullification of debts applies at present and in all places.

The nullification of debts takes place at the end of the *shmitah* year as it becomes *Rosh Hashanah* of the eighth year.

An account at a store and wages are not nullified. Similarly fines and *ketubah* money are not nullified unless they are classified a debt.

Debts held by the courts are not nullified in *shmitah*.

 | Not to refrain from lending to others prior to *shmitah* year⁹.

 | When *Hillel* saw that people started refraining from lending each other, he introduced a mechanism called a *prozbul*, which allowed that debts should not be nullified.

With *prozbul*, borrower must own some land, even if it is the tiniest amount (i.e. to grow a cabbage stalk). *Prozbul* has to be composed after giving loan. (Not effective if written before.)

If a person says I had a *prozbul* and it was lost, his word is accepted, and he is allowed to collect his debt.

Orphans do not require a *prozbul*.

Someone whose debt was nullified, and yet he still paid it back, is considered pious. He should say 'The money is mine and I am giving it to you as a present.'

Hashem promised that the reward for lending one's fellow will bring blessings in this world.