بسم الله الرحمن الرحيم

Declining Balance Co-ownership Home Acquisition Program
Fatwa on Title Registration

الحمد لله رب العالمين، والصلاة والسلام على خاتم الأنبياء
والمرسلين، محمد المصطفى الأمين، وعلى آله وأصحابه أجمعين

We, the Shari'ah Supervisory Board of Guidance Financial Group, LLC understand that, when replacing a conventional mortgage loan with a Co-Ownership Agreement, the Consumer may face significant tax disadvantages related to recording the sale of an ownership stake in the property to the Co-Owner. Under Shari'ah, the sale of an ownership stake in the property takes effect upon the offer and acceptance through signing of the Co-Ownership Agreement if it practically and legally transfers all rights and obligations previously held by the consumer on a joint-ownership basis, even though the title is not registered in the name of the Co-Owner. Accordingly the practice of not recording title is accepted by Shari'ah so long as it is permissible under local law and custom.

Agreed this 21st of October 2002

Justice Muhammad Taqi Usmani

Dr. Abdul Sattar Abu Ghuddah

Shaykh Nizam Yaquby

Shaykh Yusuf Talal DeLorenzo

Dr. Mohamed Elgari

Dr. Muhammad Imran Usmani