

**UNIVERSITI TEKNOLOGI MARA**

**THE UNDERSTANDING ABOUT THE CONCEPT  
OF HOUSE LOAN AND HOUSE FINANCING  
CONTRACT**

**ZAIM HAMIDI BIN ROSLEE**

Thesis submitted in fulfilment of the requirements for the diploma  
in  
**Diploma in Muamalat**

**ACADEMY OF CONTEMPORARY ISLAMIC STUDIES (ACIS)**

**DECEMBER 2019**

## AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any diploma or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of student	:	Zaim Hamidi Bin Roslee
Student I.D. No.	:	2017625796
Programme	:	Diploma in Muamalat
Faculty	:	Academy of Contemporary Islamic Studies
Thesis	:	The Understanding about the Concept of House Loan and House Financing Contract
Signature Of Student	:	.....
Date	:	December 2019

## **ABSTRACT**

Nowadays, people in Malaysia already have potential of buying new house because it is living needs. There are many housing loan companies which provide different type of loans with different type of factors. As the banks provided in Malaysia, there are several types of contract and that becomes the differentiate among Conventional banks and Islamic banks. This paper will discuss about the concept of house loan and house financing contract, the tendency of people in selecting the contract and encouraging the people to use the Islamic contract. This research was conducted using a survey method by distributing questionnaires to achieve the research's objective. The data was collected among the staff in Academy of Contemporary Islamic Studies UiTM Puncak Alam. The research is important to get if the respondents are understanding about the concept of house loan and house financing contract. The outcome of this research found that most of the respondents are understand about the concept of house loan and house financing contracts.

## TABLE OF CONTENTS

AUTHOR’S DECLARATION.....	ii
ABSTRACT.....	iii
ACKNOWLEDGEMENT .....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLE .....	viii
LIST OF FIGURE.....	ix
CHAPTER 1 : THE UNDERSTANDING ABOUT THE CONCEPT OF HOUSE LOAN AND HOUSE FINANCING CONTRACT .....	
1.1 Introduction.....	1
1.2 Background Study.....	1
1.3 Problem Statement .....	2
1.4 Literature Review.....	3
1.5 Research Objective .....	4
1.6 Research Question .....	5
1.7 Research Methodology .....	5
1.8 Conclusion .....	5
CHAPTER 2 : THE CONCEPT OF HOUSE FINANCING AND HOUSE LOAN.....	
2.1 Introduction .....	6
2.2 Contract used by Islamic Bank.....	6
2.3 Definition of Bay’ Tawarruq.....	6
2.4 Legal Evidence.....	8
2.4.1 Al-Quran .....	8
2.4.2 Sunnah.....	8
2.5 Jurists view in Bay Tawarruq.....	9

2.5.1	Jurists that allow Bay Tawarruq .....	9
2.5.2	Jurists that not allow Bay Tawarruq .....	9
2.6	Modus Operandi of Tawarruq .....	10
2.7	Contract used by Conventional Bank.....	11
2.8	Modus Operandi of Conventional Bank Contract.....	12
2.9	Literature Review .....	12
2.10	Conclusion .....	16
CHAPTER 3 RESEARCH METHODOLOGY .....		17
3.1	Introduction.....	17
3.2	Data Collection Method.....	17
3.3	Sampling Method.....	18
3.3.1	Population .....	18
3.3.2	Sample.....	18
3.4	Instrument in Collecting Data.....	18
3.5	Data Analysis .....	19
3.6	Conclusion .....	20
CHAPTER 4 FINDING OF THE RESEARCH .....		21
4.1	Introduction .....	21
4.2	Demographic Characteristic of Respondents .....	21
4.3	Result on the understanding the concept of house loan and the home financing contracts .....	24
4.4	Result on the determining the tendency in selecting the contract .....	29
4.5	Result on encouraging the Muslim to use Islamic contract .....	34
CHAPTER 5 : CONCLUSION .....		35
5.1	Introduction .....	35
5.2	Discussion .....	35
5.2.1	Discussion on the understand the concept of house loan and house financing contract.....	35