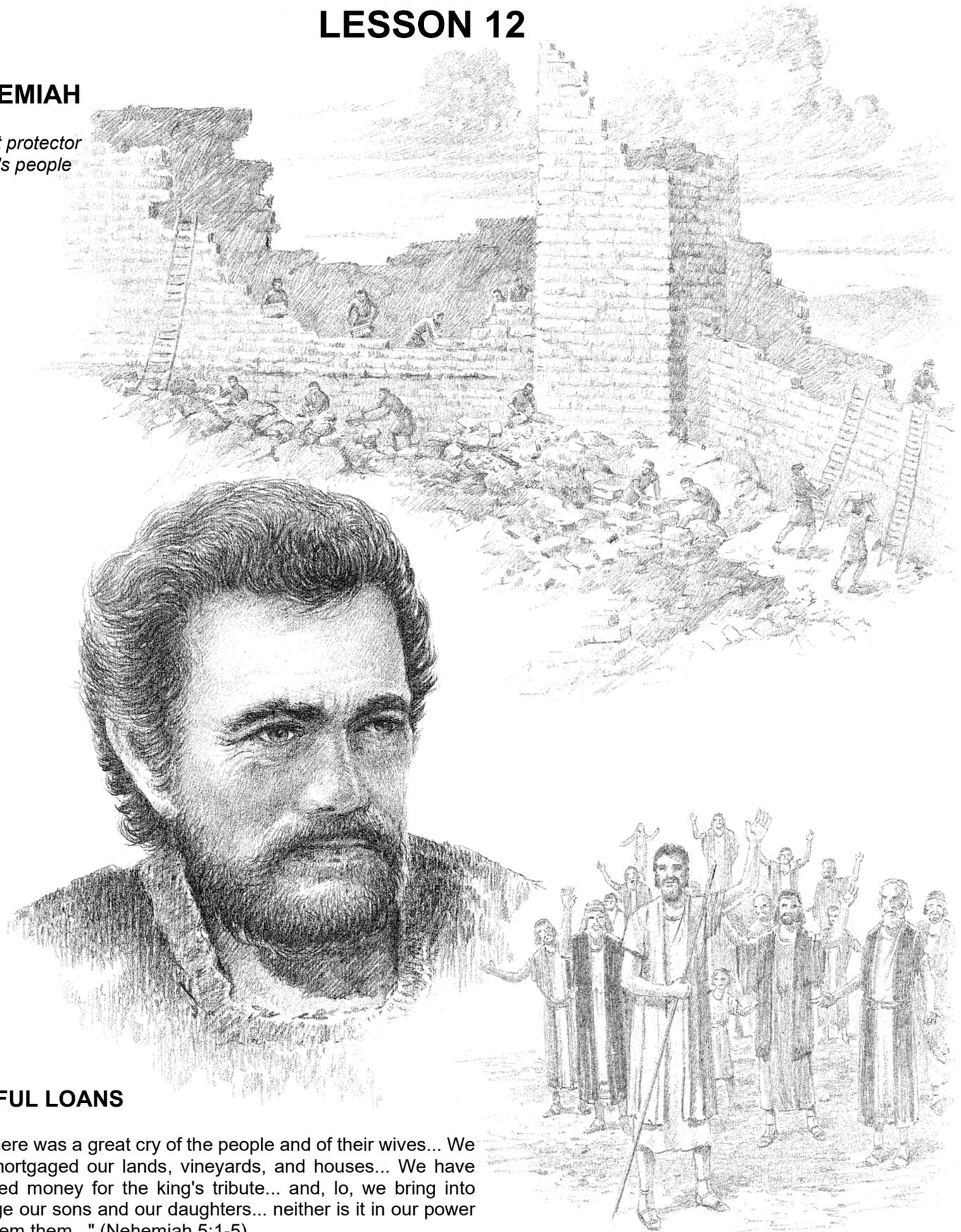


GOD'S BLESSING OF NEVER LENDING TO FRIENDS OR CO-SIGN FOR A LOAN

LESSON 12

NEHEMIAH

A great protector of God's people



PAINFUL LOANS

"And there was a great cry of the people and of their wives... We have mortgaged our lands, vineyards, and houses... We have borrowed money for the king's tribute... and, lo, we bring into bondage our sons and our daughters... neither is it in our power to redeem them..." (Nehemiah 5:1-5).

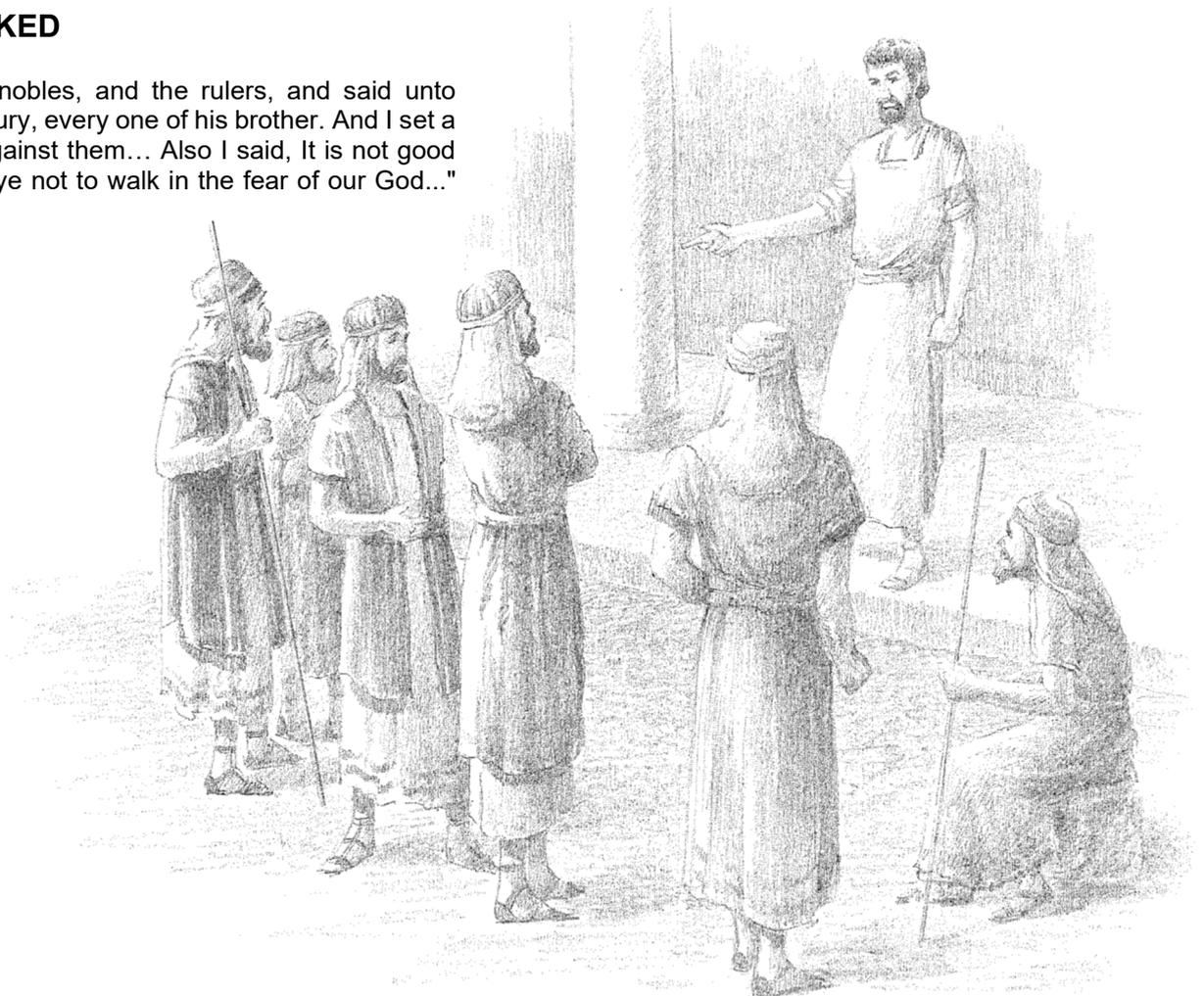
GOD'S BLESSING OF NEVER LENDING TO FRIENDS OR CO-SIGN FOR A LOAN

AVOID ENTANGLEMENTS

"Be not thou one of them that strike hands, or of them that are sureties for debts" (Proverbs 22:26).

USURY REBUKED

"...I rebuked the nobles, and the rulers, and said unto them, Ye exact usury, every one of his brother. And I set a great assembly against them... Also I said, It is not good that ye do: ought ye not to walk in the fear of our God..." (Nehemiah 5:7, 9)





HOW MUCH DO YOU KNOW ABOUT CO-SIGNING AND LENDING?

PERSONAL EVALUATION:

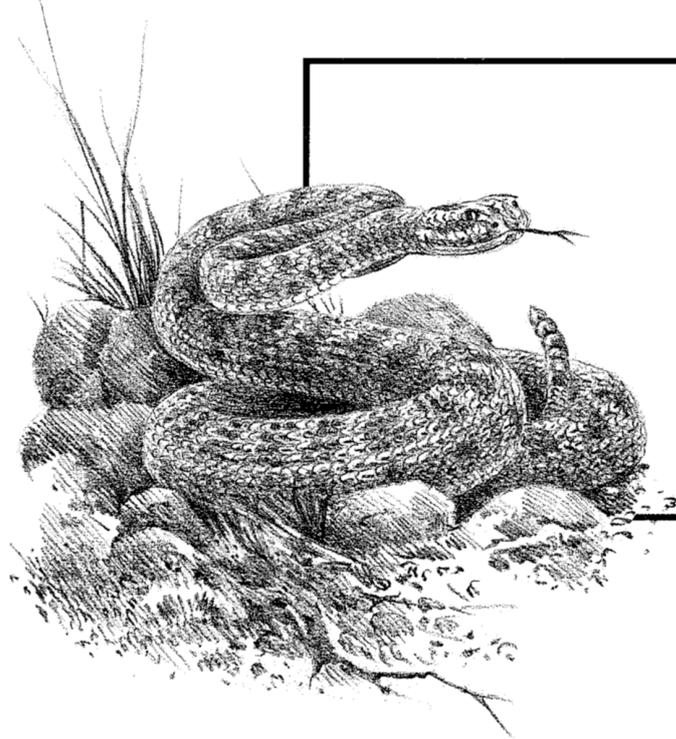
TRUE / FALSE

1. Since Jesus taught that you should not turn away a borrower, you should certainly make commercial loans to your friends.
2. When the Bible speaks about usury, it is referring to exorbitantly high interest rates.
3. Charging high interest rates is consistently condemned by God.
4. By charging low interest rates to friends, you avoid the possibility of their becoming resentful towards you.
5. Scripture teaches that you should lend money to the poor.
6. If a friend wants to borrow money, you should actually give it to him as a gift and not expect it to be returned.
7. If you are not able to lend to a friend, you could assist him financially by co-signing for him.
8. Co-signing should only be done if you personally know and trust the one for whom you are signing.
9. The Biblical phrase *becoming surety* means the same as the present-day phrase *charging usury*.
10. Co-signing is the same as becoming a business partner with the one for whom you sign.
11. By co-signing for a friend, you are able to help him live within his budget.
12. When someone asks you for a loan, he is usually asking you to take risks which a lending institution would not be willing to take.
13. The parable of the slothful servant who buried his talent teaches you that it is permissible for banks to lend your money, with interest, to strangers.
14. When a friend asks you for a loan, he is secretly hoping that you will give it to him as a gift.
15. If you have co-signed for a stranger, you should wait and see if he will pay you back.

TOTAL CORRECT

EVALUATION SCORE:

- 15-14 correct =
- 13-10 correct =
- 9-6 correct =
- 5-0 correct =



Definition of the word "interest"

TO BITE WITH A STING, LIKE A SERPENT"

In the Bible the word for usury, nâshak, is the same word for interest. To charge interest is to "exact usury."

WHY WE SHOULD NOT LEND TO FRIENDS OR CO-SIGN FOR A LOAN

When the finances of individuals or the economy of a nation are built upon borrowing, it is an evidence of God's judgment; and, if allowed to continue, it will result in the ever-increasing consequences of inflation, bankruptcy, and, ultimately, loss of freedom.

What about lending to, or co-signing for, a friend? Our natural inclination would tell us that we are demonstrating true friendship by lending money to a friend at a time of need. Just the opposite is true however. Many a friendship has been destroyed over a well-intentioned loan.

When a friend or relative asks us to co-sign for their purchase or their loan, it seems even easier to do than giving a loan. However, it is far more dangerous and usually much more costly than even making a loan. By lending, we can only lose the money that we lend; but by co-signing, we can lose everything that we own.

Here are specific reasons why it is wrong to lend to friends or to co-sign for a loan.

LENDING TURNS A FRIEND INTO A SERVANT

Scripture is very clear on this point. "...*The borrower is servant to the lender*" (Proverbs 22:7). Thus, if you desire to maintain a friendship, it would certainly be an unfortunate move to lend your friend money.

In addition to making your friend a servant, you cause him to put you in God's place when you lend. The need for a loan usually indicates that a person is experiencing serious financial pressure. God uses pressure to get our attention and to get us to seek Him. He promises: "...*Call upon me in the day of trouble: I will deliver thee, and thou shalt glorify me*" (Psalm 50:15).

By lending to your friend, you take his focus off God and put it on yourself...

BIBLICAL "LENDING" IS CHARITABLE, NOT COMMERCIAL

The guidelines which God gave to His people Israel for lending money were clearly based on the idea of helping a neighbor through a crisis, not setting up or expanding a business. The loan was actually looked upon as a gift, and no interest was to be charged. "*Thou shalt not lend upon usury [interest] to thy brother; usury of money, usury of victuals, usury of anything that is lent upon usury*" (Deuteronomy 23:19).

Not only does God prohibit the charging of interest to a "brother", He also says that a brother is not to be kept in financial bondage. Thus, He provided the releases of the seventh year and the year of jubilee.

"At the end of every seven years thou shalt make a release. And this is the manner of the release: Every creditor that lends aught unto his neighbor shall release it; he shall not exact it of his neighbor, or of his brother; because it is called the Lord's release" (Deuteronomy 15:1-2).

The exception to this release is to "foreigners." However, God continuously encourages giving to the poor rather than lending.

Notice how God emphasizes this point in Psalm 37:21 and again in Proverbs 19:17: "*The wicked borrows, and pays not again; but the righteous shows mercy, and giveth.*" "*He that hath pity upon the poor lends unto the Lord; and that which he hath given will he pay him again.*"

As we give to the poor, *in the name of the Lord*, we actually lend unto the Lord. By doing this, we cause the poor to glorify God; and we focus our expectations of return upon the Lord, not upon others.

This important truth is reemphasized by the Lord when He discusses loans in Luke 6:30-36. "...Lend, hoping for nothing again; and your reward shall be great, and ye shall be the children of the Highest..."

USURY IS CONSISTENTLY CONDEMNED BY GOD

It is important to see the many Scriptural references which condemn interest loans to a brother. "*If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury*" (Exodus 22:25).

The consequences of violating this instruction are explained in the following passages.

- **IT HINDERS GOD'S BLESSING ON YOU**

"...*But unto thy brother thou shalt not lend upon usury: that the Lord thy God may bless thee in all that thou set thine hand to...*" (Deuteronomy 23:20).

- **IT DESTROYS THE FEAR OF GOD**

"*Take thou no usury of him, or increase: but fear thy God; that thy brother may live with thee. Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase. I am the Lord your God...*" (Leviticus 25:36-38).

- **IT LEADS TO FORGETTING GOD**

"...*Thou hast taken usury and increase, and thou hast greedily gained of thy neighbors by extortion, and hast forgotten me, says the Lord God. Behold, therefore I have smitten mine hand at thy dishonest gain which thou hast made...*" (Ezekiel 22:12-13).

- **IT RESULTS IN SPIRITUAL STUMBLING**

"*Lord, who shall abide in thy tabernacle? who shall dwell in thy holy hill?.. He that puts not out his money to usury, nor taketh reward against the innocent. He that doeth these things shall never be moved*" (Psalm 15:1, 5).

- **IT CAUSES OTHERS TO GET OUR MONEY**

"*He that by usury and unjust gain increases his substance, he shall gather it for him that will pity the poor*" (Proverbs 28:8).

- **IT CALLS FOR GOD'S JUDGMENT**

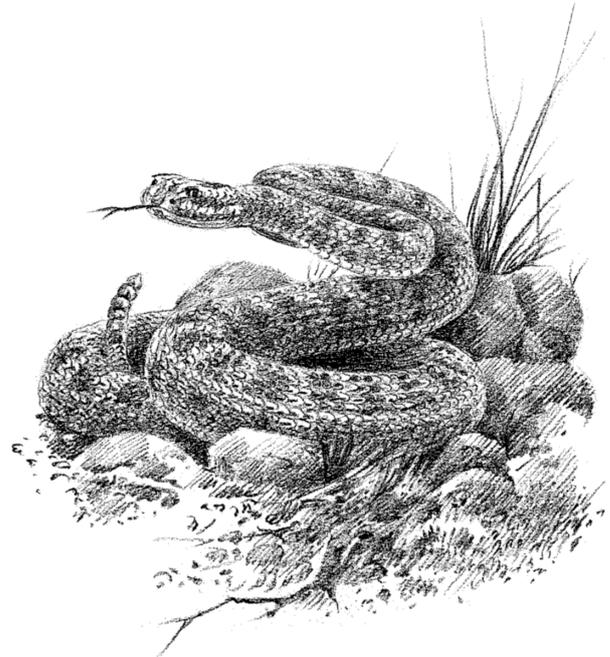
"*If he beget a son that is a robber, a shedder of blood, and that doeth the like to any one of these things... [If he] hath given forth upon usury, and hath taken increase: shall he then live? he shall not live: he hath done all these abominations; he shall surely die; his blood shall be upon him*" (Ezekiel 18:10, 13).

If God equates usury with extortion, then usury is an offense which Paul instructs the New Testament Church to discipline. (See I Corinthians 5:8-13.)

INTEREST BITES YOUR FRIEND LIKE A SNAKE

The Biblical word for usury, *nāshak*, does not have the modern meaning of exorbitant interest. It simply means charging any interest at all. This has also been the primary dictionary definition, "the fact or practice of lending money at interest." (See the *Oxford Universal Dictionary*.)

The Hebrew meaning of usury is "to strike with a sting (as a serpent), to oppress, to bite." The implications of this definition are both significant and far-reaching. The "sting of interest" was heard in many a cry of those whose testimonies are recorded in Scripture.



Even in secular literature, there are abundant warnings to avoid all forms of borrowing and lending. This would clearly include co-signing. In Shakespeare's *Hamlet*, for example, Polonius gave his son the following advice as he went to a foreign country: "Neither a borrower, nor a lender be; for loan oft loses both itself and friend, and borrowing dulls the edge of husbandry."



How interest is similar to the bite of a snake

A SNAKE BITE	USURY (INTEREST)
1. The snake is a hidden danger to an unsuspecting passerby.	1. The final cost of interest is usually not comprehended by a borrower.
2. Getting close to a snake will usually result in being bitten.	2. Those who profit from interest make it easy for people to borrow money.
3. A snake usually strikes before its victim is aware of its presence.	3. Interest usually brings financial bondage before a borrower realizes what has taken place.
4. The realization of a snake bite results in anxiety and fear.	4. Compounded interest causes the borrower to develop anxiety and fearfulness.
5. The venom of the snake can produce alarming symptoms such as swelling, hemorrhaging, decreased circulation, lowered blood pressure, weakening pulse, nausea, and high temperature.	5. The result of interest can produce alarming physical, mental, emotional, and spiritual problems in the life of a borrower.
6. The ultimate result of a poisonous snake bite is the physical death of the victim.	6. The ultimate consequence for a borrower is the inability to repay the high interest loan and the loss of his property...

INTEREST CAUSES FRIENDS TO SECRETLY CURSE YOU

...When friends come to you with financial pressures, they are often too embarrassed to ask you for charity. Instead, they will ask you for a loan, secretly hoping that you will insist on a gift or a loan without interest.

This secret desire may be based on their understanding of friendship or on the many Scriptural commands for Christians to help other Christians in times of need. "...At this time your abundance may be a supply for their want, that their abundance also may be a supply for your want: that there may be equality" (II Corinthians 8:14). (See also Romans 12:13 and Galatians 6:10.)

The fact that loans with interest prompt cursing is emphasized in Jeremiah 15:10. "Woe is me... I have neither lent on usury, nor men have lent to me on usury; yet every one of them doth curse me."

ONLY STRANGERS SHOULD BE CHARGED INTEREST

God makes a distinction between charitable loans and commercial loans. "Unto a stranger thou may lend upon usury..." (Deuteronomy 23:20).

This distinction also extended to the practice of releasing debts every seven years. "Of a foreigner thou may

exact it [the loan] again: but that which is thine with thy brother thine hand shall release; Save when there shall be no poor among you..." (Deuteronomy 15:3-4). These loans may collect interest, but not exorbitant interest, because that would be unjust gain.

God promised His people that if they followed all His laws, He would so richly bless them that they would never need to borrow "...And thou shalt lend unto many nations, but thou shalt not borrow..." (Deuteronomy 15:6).

It is against this backdrop that the parables of Jesus on lending and interest must be understood.

"Wherefore then gave not thou my money into the bank, that at my coming I might have required mine own with usury?" (Luke 19:23). (See also Matthew 25:27.)

Financial dealings with non-Christians are understood to be appropriate in light of I Corinthians 5:10.

CO-SIGNING IS A DANGEROUS FORM OF LENDING...

If someone asks you to co-sign a note, it means that he is borrowing the money from someone else but he is asking you to stand behind the loan.

When you co-sign, you are pledging whatever assets you have against the debt. Most people do not co-sign with the idea of having to assume the debt.

For this reason, the loss of money or assets usually comes as a shock and a financial setback to the one who co-signs.

GOD CONSISTENTLY CONDEMNS CO-SIGNING

Scripture uses the word *surety* for the term *co-signing*. Six times God pleads with us to reject all co-signing.

- **CO-SIGNING IS A TRAP FOR YOU**

"My son, if thou be surety for thy friend, if thou hast stricken thy hand with a stranger, Thou art snared with the words of thy mouth, thou art taken with the words of thy mouth. Do this now, my son, and deliver thyself, when thou art come into the hand of thy friend; go, humble thyself, and make sure thy friend. Give not sleep to thine eyes, nor slumber to thine eyelids. Deliver thyself as a roe from the hand of the hunter, and as a bird from the hand of the fowler" (Proverbs 6:1-5).

- **CO-SIGNING WILL BRING YOU GRIEF**

"He that is surety for a stranger shall smart for it: and he that hates suretyship is sure" (Proverbs 11:15).

- **CO-SIGNING REVEALS YOUR LACK OF UNDERSTANDING**

"A man void of understanding strikes hands, and becomes surety in the presence of his friend" (Proverbs 17:18).

- **CO-SIGNING CAN COST YOU EVERYTHING YOU HAVE**

"Take his garment that is surety for a stranger..." (Proverbs 20:16). (See also Proverbs 27:13.)

"Be not thou one of them that strike hands, or of them that are sureties for debts. If thou hast nothing to pay, why should he take away thy bed from under thee?" (Proverbs 22:26-27).

One day before Christmas, a woman asked one of the pastors of her church if he would co-sign for certain items that she wanted to buy for her family. She explained that since her husband filed for bankruptcy, the store would no longer let them buy on credit.

The pastor stated that God's Word prohibited him from co-signing but that he would like to give her some money toward the purchase. The woman refused, saying that she was not asking for charity.

A month later the woman was in the hospital with cancer. With tears running down her cheeks, she said to that pastor, "I can never thank you enough for refusing to co-sign for me. After I talked to you, I realized that the purchases I wanted to make really were not wise. I bought other gifts with the money that I had and we had our first debt-free Christmas. If you had co-signed, you would have had to pay for all the things that I was going to buy."

CO-SIGNING IS AN UNSCRIPTURAL PARTNERSHIP

...According to *Strong's Exhaustive Concordance*, the root definition of the word translated *surety* is "to tie together, to braid, to mix together."

This is actually what is done when you vouch for the debt of another person — you become a partner with him and the errors of his way.

- Your partnership gives approval to the loan which he is securing.
- Your partnership encourages him to live beyond his income.
- Your partnership discourages him from waiting for God's timing on a business transaction.
- Your partnership hinders God's supernatural provision for the need which he has.

When you co-sign for a Christian in need, you violate Christ's commands to give; and when you co-sign for a non-Christian, you violate God's command not to be yoked together with an unbeliever. (See II Corinthians 6:14.)

CO-SIGNING EXPOSES YOU TO SWINDLERS

One of the methods which swindlers use to ply their evil trade is co-signing. They will offer rich rewards to you if you will stand behind their debt. They will convince you that they are against the wall and are willing to take a loss if you will help them out.

What you do not realize is that by listening to them and considering the possibility of co-signing, you are the one who is against the wall, and you will take a loss.

For this reason, God wants all of us to hate co-signing.

By co-signing you are pledging your assets against three things — the borrower's ability to meet the loan payments, his intentions to pay you back if he defaults, and his ability to pay you back...

LENDING OR CO-SIGNING OVERRIDES DEEPER PROBLEMS...

Financial pressures are usually symptoms of deeper problems. By removing the pressure, you only avoid or postpone dealing with the problems.

When someone comes with a request for a loan or for co-signing, you have the responsibility to ask enough

questions to determine whether or not there is a deeper "root" problem of bitterness, greed, or moral impurity.

By helping him resolve any of these, you invest in his life that which is far greater than money. You give him true riches with freedom, and direction to seek God and experience riches without sorrow. (See Proverbs 10:22.)

**WHEN YOU CO-SIGN FOR A PERSON WHOM
GOD IS CHASTENING, YOU WILL SHARE
THE PAIN OF HIS DISCIPLINE...**

ESCAPING FROM THE SNARE

IF YOU HAVE CO-SIGNED...

"Deliver thyself as a roe from the hand of the hunter..." (Proverbs 6:5).

1. Realize that you are in trouble.

"Thou art snared with the words of thy mouth..." (Proverbs 6:2).

2. Before each step, cry out to God and seek wise counsel.

3. Seek release.

"Do this now, my son, and deliver thyself..." (Proverbs 6:3).

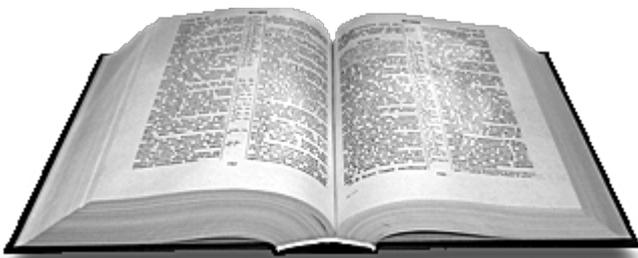
4. Take the initiative and plead.

"...Go, humble thyself... Give not sleep to thine eyes, nor slumber to thine eyelids" (Proverbs 6:3-4).



IF YOU HAVE LENT MONEY TO YOUR FRIEND...

1. Acknowledge to God that you have violated Scriptural principles by lending and have caused your friend to violate Scriptural principles by borrowing.
2. Ask your friend to forgive you for violating Scripture and for putting him under bondage by lending the money to him. Explain that you want to be a true friend by helping him to be financially free.
3. Gather facts from your friend to determine what his real financial needs are and what underlying spiritual problems may have caused them.
4. Determine what amount God would have you give to your friend, as well as what other counsel and direction you can give to him.
5. Expect that the financial bondage that your friend is in may take a long time to remove and that you will have to share the burden with him until he is financially free.



Personal Commitment to Reject Lending and Co-signing

In accordance with the clear teachings of Scripture, I will not lend money to friends or co-sign for anyone.

From this day forward, it will be my policy to explain to anyone who asks for financial assistance that my money belongs to God and that I would need at least 24 hours to prayerfully consider what He would have me do...

Signed _____ Date _____

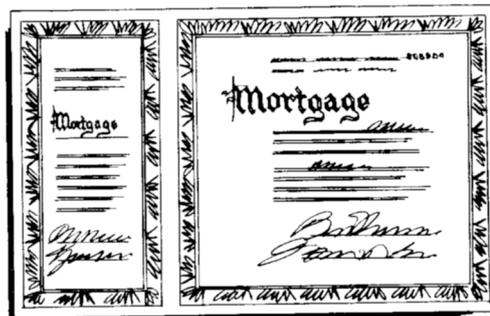
CAN YOU IDENTIFY BASIC FINANCIAL TERMS?

Match the following Biblical terms with the best definition...



BIBLICAL TERMS

- 1. Usury
- 2. Surety
- 3. Lending
- 4. Release



DEFINITIONS

- A. Not charging interest
- B. Charging high interest
- C. Canceling a debt
- D. Canceling the interest on a debt
- E. Charging any interest
- F. Saving money
- G. Co-signing for a loan
- H. Making someone a servant

WHO FOLLOWED OR VIOLATED GOD'S PRINCIPLES OF LENDING AND CO-SIGNING?

Match each statement with the person who is most likely to have said it.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> 1. I lent money to a seminary student. He was sure that he could repay it, but unforeseen events took place and his family came under tremendous pressure. Who am I? | A. JUDAH
(See <i>Genesis 43:8-44:34</i>) |
| <input type="checkbox"/> 2. I was not guilty of lending money to friends or co-signing, yet I was severely rebuked for failure to apply other financial principles. Who am I? | B. SOLOMON
(See <i>I Kings 9:22</i>) |
| <input type="checkbox"/> 3. When I was placed in a position of leadership, I refused to allow any of my people to become bondmen. Because of this policy, we enjoyed the highest living standard in our history. Who am I? | C. A NOBLE OF JERUSALEM
(See <i>Nehemiah 5:1-13</i>) |
| <input type="checkbox"/> 4. I have neither lent on usury, nor have men lent to me on usury, yet every one of them doth curse me. Who am I? | D. JEREMIAH
(See <i>Jeremiah 15:10</i>) |
| <input type="checkbox"/> 5. Our survival as a family depended upon a journey to get sufficient food. In the process, I offered to become surety for a member of my family. The result was very humbling to me. Who am I? | E. WIDOW'S CREDITOR
(See <i>II Kings 4:1</i>) |
| <input type="checkbox"/> 6. I joined with others in lending money to my friends and neighbors. As a result, I was publicly rebuked and forced to release my debtors from their debts. Who am I? | F. UNJUST STEWARD
(See <i>Luke 16:1-8</i>) |

DO YOU KNOW GOD'S PRINCIPLES OF LENDING AND CO-SIGNING?

Choose the best answer.

1. LENDING TO NEEDY FRIENDS:

- A. Makes you their servant
- B. Makes them your servant
- C. Makes their load lighter

2. LENDING IN THE OLD TESTAMENT:

- A. Was basically commercial
- B. Was basically charitable
- C. Was basically conditional

3. LOANS TO FELLOW ISRAELITES WERE:

- A. Low in interest
- B. High in interest
- C. With no interest

4. LOANS TO FELLOW ISRAELITES WERE:

- A. Forgiven after three years
- B. Forgiven after four years
- C. Forgiven after six years

5. LOANS WITH INTEREST ARE:

- A. Compared to traps
- B. Compared to snake bites
- C. Compared to wolves

6. FRIENDS WHO ASK FOR A LOAN:

- A. Expect a loan with interest
- B. Expect a loan with no interest
- C. Expect a gift from you

7. GOD EXPECTS US TO GIVE:

- A. Low interest loans to friends
- B. No interest loans to friends
- C. Outright gifts to friends

8. WHEN WE CO-SIGN FOR A LOAN:

- A. We make larger returns
- B. We make smaller returns
- C. We form a partnership

9. WE SHOULD ONLY CO-SIGN FOR:

- A. Christians
- B. No one
- C. Trustworthy people

10. GOD WANTS US TO:

- A. Be careful of co-signing
- B. Avoid co-signing
- C. Hate co-signing

11. CO-SIGNING INCREASES OUR:

- A. Potential to make money
- B. Potential to make friends
- C. Potential to be swindled

12. CO-SIGNING FOR A FRIEND:

- A. Helps solve his problem
- B. Avoids the real problem
- C. Helps identify the problem

13. CO-SIGNING FOR A FRIEND IS:

- A. Better than lending
- B. Worse than lending
- C. The same as lending

14. IF WE HAVE CO-SIGNED:

- A. We should follow through
- B. We should do nothing
- C. We should seek release