

Glad Tidings

“And we bring you good tidings of the promise made unto the fathers...” (Acts 13:32)

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Financial Wisdom

(Jerry Fite)

Is it a sin to willingly go into debt? Should one always avoid co-signing for another? The Book of Proverbs provides an objective view regarding these two financial decisions, and offers God’s wisdom to follow.

Money or assets up front may be appealing, but the latter end for the borrower is God’s focus for the wise: “*The rich ruleth over the poor; and the borrower is servant to the lender*” (Proverbs 22:7). Is God demanding, “Thou shalt not borrow?” No, but He gives us some facts of life which should help us make wise decisions regarding debt.

Fact one: “*the rich ruleth over the poor.*” The poor lives and needs food, clothing and shelter. They are at the mercy, but more often the dictates of the rich who possess the resources. Money talks, but the poor has limited speaking power. Money fosters power, forcing the poor to become subservient if they are to survive.

Do you know any “poor” who make up the executive, legislative and judicial branches of our

federal government? In theory, any law abiding citizen can run for office in our democracy. But reality reveals you will not endure an election campaign if you do not have an abundant amount of personal assets. The rich ruleth over the poor, even in our democracy today.

Fact Two: “*the borrower is servant to the lender*”. The lender dictates how much, and at what interest rate his money will be lent. He sets the conditions for the borrower to accept. If you do not pay your mortgage, you will lose your home, for it is the collateral stipulated if the borrower does not pay the lender in full.

Finance companies rule over the borrower in credit card debt. For example, a person with \$10,000 credit card debt at 18% interest will take 12 ½ years to pay off the debt, and end up paying \$13,967 in interest if they pay the minimum payment of \$150 a month. Who is serving whom?

One should be wise and not borrow beyond one’s ability to meet the conditions set by the

lender, and cease to be the borrower as soon as possible. Ignoring the servitude fact can lead one to experience loss of freedom and peace of mind which is a foolish price to pay for borrowing.

Proverbs warns against being a “surety” for a neighbor and a stranger. “*Be not one of them that strike hands, or of them that are sureties for debts*” (Proverbs 22:26). If the stranger you are guaranteeing does not pay, you will pay. “*He that is surety for a stranger shall smart for it; but he that hateth suretyship is secure*” (Proverbs 11:15). It is not wise to guarantee something you have no control over: the stranger or neighbor. Therefore God’s wisdom is to extricate yourself from the suretyship as soon as possible (Proverbs 6:1-5).

Paul guaranteed the debt of Onesimus (Philm. 18-19). Therefore it is not sinful. But you must enter suretyship with the mindset that you may very likely have to pay the debt. Do not think it is not your debt, when you co-sign for another. Ignore these facts to your own financial peril.