



Usury and it's Principle

by Bruce Woolard

A Godly person who has the means to lend to a borrower is entitled to charge interest as long as it is not exorbitant causing severe impoverishment and further misery to the borrower.

If one is in the business of lending (commercially) to make a profit it should be reasonable to cover the companies cost, i.e. administration, time and company overheads (rentals, upkeep of offices, etc.). To make a profit on the sum lent to a borrower is similar to investing capital with an expectation of a good return. The current bank prime rate is a good barometer but not a good standard. Charging a rate double to the current rate is sound and admirable. An Adhoc lender or professional lender carries a greater risk than a bank, therefore, may be justified in charging a greater interest.

While the New Testament is relatively silent on the legitimacy of usury, **Romans 13:8** says *“Let no debt remain outstanding, except the continuing debt to love one another, for whoever loves others has fulfilled the law,”* we should *“owe no man anything, but to love one another.”* This verse says nothing about owing a debt of money or other material things. It expresses the user to be bonded in love to the people of faith.

The Old Testament principle of usury is clear in several instances. The first time usury is mentioned is in **Exodus 22:25** *“If you lend money to one of my people among you who is needy (poor), do not treat it like a business deal; charge no interest.”*

Moses was given the Law to prepare Israel to be a peculiar and unique people, unlike the pagan nations. This verse relates to the fellow Jew who is poor and marginalised.

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If a poor person gave you his coat as collateral on what he was borrowing, the lender, on the basis of compassion, would have to return it to the borrower before sunset. This was to prevent the borrower from facing the cold of night without a coat. The principle is to consider the borrowers circumstances when lending. If the borrower was poor, it would be wrong to make his burden greater by charging him interest above his condition or means.

Deuteronomy 23:19-20 *“Do not charge a fellow Israelite interest, whether on money or food or anything else that may earn interest. You may charge a foreigner interest, but not a fellow Israelite, so that the Lord your God may bless you in everything you put your hand to in the land you are entering to possess.”*

The verses relate to Israel on the brink of entering the Promised Land. They (Jew) should not cause their brother (fellow Jew) to be indebted even in the land of promise.

Psalm 15:5 *“Who lends money to the poor without interest; who does not accept a bribe against the innocent. Whoever does these things will never be shaken.”*

This verse must be seen in the context of fellow sojourners not strangers.

A good man will charge according to his conscience.

Remember, however, that Israel is God’s earthly people, we are God’s heavenly people. They (Israel) were materially focussed. We should rather store up treasure in our heavenly home.

Balance and moderation neutralises manipulative greed.

Consider **1 Corinthians 10:23-26** *“I have the right to do anything,” you say—but not everything is beneficial. “I have the right to do anything”—but not everything is constructive. No one should seek their own good, but the good of others. Eat anything sold in the meat market without raising questions of conscience, for, “The earth is the Lord’s, and everything in it.”*

The Parable of the Talents in Matthew 25:14-30 may provide an application in terms of investment and interest charged.



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