

DEBT

Tyndale Bible Dictionary

Something owed to another person, such as goods, property, or money. In the Bible, righteous conduct is something one “owes” to God; hence, in theology, sin is described figuratively as being “in debt.”

In Hebrew culture, debt was usually connected with usury (the business of lending money on interest). The Hebrew verbs describing usury picture a painful situation. One word for usury means “to bite,” a vivid image for the way high interest “ate up” any kind of business transaction so that borrowers never received the full value of the money. People could be ruined financially by heartless exaction of interest (2 Kings 4:1–7). Another verb is usually translated as “increase” or “profit” (Lev. 25:37), since lenders profited from others’ labor. Ancient Near Eastern interest rates on produce and goods might be as much as 30 percent of the loan per year; on money, as much as 20 percent. Clay tablets from Nuzi, an ancient town in northeastern Mesopotamia, indicate interest rates of even 50 percent.

The Law of Moses The Mosaic covenant given to Israel immediately after the exodus sought to eliminate extortionist practices from Hebrew life. Thus God’s revelation had many rules and restrictions relating to debt and credit in Israel.

Protection for the Poor Portions of the legislative sections of the Pentateuch (the first five books of the Bible) regulated the practice of lending in a way that protected the poor and secured each person’s right to earn a living and support a family. Many popular Hebrew proverbs dealt with that theme. The positive thrust of the biblical laws was to ensure help for the financially needy, without interest. No personal profit was to be made at the expense of the poor (Ex. 22:25; Deut. 23:19–20); God was their special advocate. Thus, by lending without interest, the Israelites could demonstrate their reverence for God (Lev. 25:35–37).

That point was reemphasized 40 years later when Moses renewed the covenant with Israel just before their entrance into the Promised Land. God was the landlord, and his tenants were to respect his word. God promised the Israelites that if they would lend so as to alleviate human misery, they would be unusually blessed by the Lord (Deut. 15:6; 23:19–20; 28:12). Interest could be charged to a foreigner not living under the Mosaic law, which was a condition parallel to commercial treaties prevalent in the ancient Near East.

In ancient Israel, financial ruin was frequently brought about by poor harvests. Often they were taken as an indication that the relationship between God and his people was not right (Lev. 26:14, 20). The wealthy were expected to help, not to add more burdens to those who suffered from poor harvests.

Violation of the Law The law was so often violated that eventually exorbitant interest became a social plague, making the situation of debtors hopeless. Many of the fighting men who rallied around David early in his military career were “outlaws” unable to repay their loans and interest (1 Sam. 22:2). The prophet Ezekiel called people to task for their failure to observe God’s commands about usury (Ez. 18:5–18; 22:12). When Nehemiah returned from the exile to rebuild the walls of Jerusalem, he brought charges against the government officials whose interest rates had enslaved the people (Neh. 5:6–13).

The Wisdom Literature, which included Job, Proverbs, and Ecclesiastes, added that those who acquired riches by usury would not profit in the long run, because God would give their profits to others who looked after the welfare of the poor (e.g., Prov. 28:8). The prophet Amos gave a similar warning to corrupt merchants in Israel: “Because you trample upon the poor and take from him exactions of wheat, . . . you have planted pleasant vineyards, but you shall not drink their wine” (Am 5:11, RSV). In spite of such warnings, the law was often ignored, and burdensome interest charges were laid on borrowers who were already poor.

Pledges and Surety When it was necessary to borrow, the law provided alternatives to the unfair practice of usury. When taking out a loan, a borrower would surrender some movable property as collateral to ensure repayment. That “pledge” represented a tangible sign of the debtor’s intention to repay the loan. Certain restrictions applied to such pledges. For example, a creditor could not take a widow’s clothes (Deut. 24:17).

Tools (such as millstones) or animals (such as oxen) necessary for daily life were forbidden as pledges (v 6). Clothing absolutely essential to the borrower (e.g., to keep warm) could be temporarily offered as a pledge, but the temporary token had to be returned before nightfall (Ex. 22:26–27; Deut. 24:10–13).

In drastic circumstances, where there was no collateral, a debtor could pledge a son, daughter, or slave. The value of the child's or slave's labor could then be credited against both interest and principal. An account in the Bible of a widow's two sons about to go into slavery shows how cruel the custom could be (2 Kings 4:1–7). Pledging labor or their children's labor was the only way slaves could pay off a debt when they had to borrow.

A borrower could also have a wealthy friend assume responsibility as a cosigner on a loan and thus become the pledge, or surety. The book of Proverbs cautioned against standing surety for others, however, especially for strangers (Prov. 6:1–3; 11:15; 17:18; 22:26; 27:13).

Sabbatical and Jubilee Years Two legal provisions to curb the enslavement of people by long-standing debts were the sabbatical year and the jubilee year. The sabbatical year, or “year of release,” took place every seventh year. At that time debts were canceled and slates wiped clean (Deut. 15:1–12; cf. Ex 21:2; 23:10–11; Lev. 25:2–7). The law clearly forbade lenders to withhold loans to those in desperate need during a sixth year. Jewish tradition held strict injunctions against a lender trying to collect on a loan that should have been forgiven in the sabbatical year.

Every 50 years Israel had its Year of Jubilee. In that year land reverted to its original owner if it had not already been redeemed by some relative. That provision prevented the buildup of landed estates by the wealthy few while the many poor suffered in slavery (Lev. 25:13–17). Although the Mosaic law could not guarantee economic utopia, it sought to curb the greediness in human nature. It also aimed at providing everyone with an equal opportunity and a fresh start every 50 years.

Debt in the New Testament The NT shows how various cultures handled the matter of loans and debts. There were Jewish people who adhered strictly to the Mosaic law and refused to charge their fellow Jews high interest. Hellenistic and Roman legal practices, however, penetrated parts of Jewish society.

Jesus' Parables Jesus alluded to non-Jewish economic practices in his parable of a servant who jailed a fellow slave for not repaying a loan (Mt 18:23–35). The parable illustrates the ordinary Hellenistic and Roman custom of jailing or restraining such a person as surety. That practice forced a debtor to sell his property, to ask family and friends to cover the loss, or to sell himself into slavery. The parable of the talents (25:14–28) and the parable of the pounds (Lk. 19:12–24), speaking allegorically about the kingdom of God, mention earning interest on money invested with bankers.

Economic and Theological Instruction The apostle Paul instructed Christians to “owe nothing to anyone” (Rom 13:8), which means at the very least that Christians should make good on loans promptly. On the other hand, a Christian's economic activity should be characterized by kindness toward those in need, generosity, and willingness to help (Mt. 5:42; Lk. 6:35).

The NT also presents a number of lessons in doctrine based on a figurative use of “debts” and “debtors.” Jesus once referred to sinners (Lk. 13:2) with a word literally meaning “debtors” (v 4). In the Lord's Prayer “debts” is paralleled with “sins” (Mt. 6:12; Lk. 11:4).

Sin is seen as an enslavement (John 8:34), and all men and women as debtors to God. Redemption can be made only by God, who “gave his only Son” to set people free (3:16–18). The writer to the Hebrews showed that Jesus was made the surety of the new covenant (Heb 7:22).

The apostle Paul felt indebted to all people because of his own salvation, a debt he could pay by preaching the gospel (Rom 1:14–15). The NT teaches that all who receive the gospel are likewise in debt and therefore should devote themselves to serving others as a way of serving God (cf. 15:26–27).